

Angola Reported to Mount Offensive Against Rebels

By John Danton
New York Times Service

MADRID — Angola, reacting to military gains by anti-government rebels, has begun a major counteroffensive, according to diplomats and other authorities in Europe.

These authorities, who include Portuguese and African officials, said, however, that the rebels may have become too powerful for Angola to defeat.

According to reports from Portugal, which ruled Angola until 1975, Angolan government troops, backed by Cuban soldiers estimated by Western officials to number 25,000, apparently scored some initial successes against the guerrilla forces led by Jonas Savimbi.

But the officials said that the guerrilla group, the National

Union for the Total Independence of Angola, had extended its operations beyond the southeastern quarter of the country that it has long occupied, mounting excursions into the northern diamond-producing region and coming within 100 miles (160 kilometers) of the capital, Luanda.

A high-ranking Portuguese official familiar with the country's battles against independence fighters in the early 1970s, reported that the guerrilla group recently made hit-and-run attacks on the main road and railway system linking Luanda with Malanje, 120 miles to the east.

"That never happened to us when we were there," he said. "The MPLA is much worse off, militarily, than we ever were." MPLA, the Popular Movement for the Liberation of Angola, runs the government in Luanda.

Angola does not often issue visas to Western correspondents, so it is difficult to get first-hand information about the fighting.

Authorities in Lisbon report that half a dozen or so former Portuguese officers have been aiding the Angolan government in the fight against the Savimbi group for the last year.

In addition to its civil war with the rebels, Angola has become embroiled in the conflict being waged over South-West Africa, or Namibia, on its southern border.

South Africa, which rules Namibia in defiance of the United Nations, has occupied part of southern Angola since 1961 in an effort to root out guerrillas of the South-West Africa People's Organization.

In a recent campaign in the southern Angolan province of Cu-

nene, South African forces fought not only Namibian guerrillas but also Angolans and Cubans, according to officials in Pretoria.

The five-week South African drive, which reached several hundred miles inside Angola, is over, and South Africa says it has pulled back its troops.

A report carried Thursday by the Portuguese news agency from the island of Cape Verde said South African and Angolan delegations had arrived there for talks. The Angolans denied the report.

Mr. Savimbi's rebels, believed to include about 5,000 well-trained guerrillas and perhaps 20,000 inadequately armed followers, also receive backing from South Africa.

This complicates diplomatic efforts to end the wars. Both South Africa and the United States are

insisting on the withdrawal of Cuban forces from Angola as part of an overall settlement that would lead to independence for Namibia.

But as Mr. Savimbi's forces expand their territory, the Angolan government becomes more dependent upon the Cubans.

The Angolan government offensive is apparently designed to check a rebel drive that began in November and was timed for the rainy season that lasts until April and usually favors the guerrillas. The key engagements are being fought in the lush and heavily populated central plateau, including the provinces of Huambo and Bié.

"It's an all-out offensive," said a Portuguese source. "They say they are confident they will be able to push Mr. Savimbi down to the south and cripple him forever."



Jonas Savimbi

WORLD BRIEFS

U.S., Soviet to Resume Vienna Talks

WASHINGTON (WP) — The United States has agreed to a Soviet-suggested resumption of talks on reduction of conventional troops in central Europe, Secretary of State George P. Shultz said Sunday. The talks are to resume March 16 in Vienna.

Any breakthrough at the talks, officially dealing with mutual, balanced force reductions between the Warsaw Pact and North Atlantic Treaty Organization forces, could ease relations between Moscow and Washington, some U.S. analysts contend. But administration sources said that President Ronald Reagan has ruled out for now a new initiative at the talks.

Mr. Shultz said that Foreign Minister Andrei A. Gromyko of the Soviet Union had proposed the new date for resuming conventional arms negotiations during their discussions in Stockholm on Wednesday. He added that Mr. Gromyko had "declined to set a date for the resumption of strategic arms talks" in Geneva, recessed after Moscow walked out following the deployment last month of U.S. medium-range nuclear missiles in Western Europe.

U.K. Said to Concede Hong Kong Rule

LONDON (Reuters) — Britain has in principle conceded the sovereignty and control of Hong Kong to China after 1997 when the lease runs out on the colony, according to a report here.

The Sunday Times newspaper said the British concession came on instructions from Prime Minister Margaret Thatcher last month after talks stalled on Britain's original demand to retain administration of the colony indefinitely after 1997. Mrs. Thatcher was advised that since it was impossible for Britain to defend Hong Kong it was better to accept Chinese demands and get the best guarantees possible from Beijing, the report said.

In return for sovereignty and control of Hong Kong, China has drawn up a plan that would allow the colony's commercial life to continue, the newspaper said. The Foreign Office and Mrs. Thatcher had no comment on the report, and a government spokesman reiterated Britain's position since the outset that the talks were "confidential and best conducted in secret."

Queen's Speech Criticized by Rightist

LONDON (UPI) — Enoch Powell, a rightist member of Parliament, has set off a furor by asserting that a speech of Queen Elizabeth II implies that she cares more about a "vociferous minority" of nonwhite immigrants than about white Britons.

Mr. Powell, a former Conservative cabinet minister who is now a member of the Northern Ireland-based Ulster Union party, said in a speech Friday that the queen's Christmas Day broadcast to the British Commonwealth was "pregnant with peril for the future." He said that he was not criticizing the queen personally but the government of Prime Minister Margaret Thatcher, who, he said, seemed afraid for the queen "to speak as a Christian monarch to a Christian people or as the British monarch to the British nation."

The Buckingham Palace spokesman, Michael Shea, said in response to the assertion that the queen wrote her own speech and delivered it as head of the Commonwealth, not as the queen of Britain alone. In the televised speech, which featured film of her recent trip to India and showed her with Prime Minister Indira Gandhi, the queen said the world's greatest problem was "the gap between rich and poor countries."

Honduras Rejects Report on Copter

TEGUCIGALPA, Honduras (WP) — The Honduran government said that a Honduran Army commander fabricated an account that the U.S. Army helicopter shot down recently near the Nicaraguan border had planned to fly over the border area.

A senior government spokesman, who asked that he not be identified, said he was not sure why the report was made. He said the message to reporters Wednesday, and later convinced an air force lieutenant in Tegucigalpa to say the radio message was sent from an air base in Tegucigalpa. Disciplinary action was expected to be taken against Colonel Ferrera, government sources said.

The colonel's account conflicted with the U.S. government's version that the pilot had no intention of traveling near the tense border, which U.S. aircraft are required to avoid by at least five miles. U.S. officials contend that the aircraft had strayed because of pilot error. Nicaraguan forces shot and killed the helicopter's pilot after he made an emergency landing just inside Honduras on Jan. 11.

Libyan Diplomat Is Shot in Rome

ROME (UPI) — Two elegantly dressed gunmen carrying pistols in plastic bags shot and seriously wounded the Libyan ambassador to Italy outside his home in a suburban neighborhood, the police said.

Firing silenced-equipped pistols, the men shot Ammar el-Taggazy, 43, three times Saturday on the entrance ramp to the garage of his apartment building, the police said. The gunman escaped.

Mr. Taggazy was reported in "very serious" condition Sunday with wounds in the head, abdomen and shoulder. An anonymous caller telephoned The Associated Press in London, saying a group called Al Borkan — "The Volcano" — was responsible. The group appeared to be a hitherto unknown organization in the Arab world. Newspapers in Beirut said they had never heard of it.

Israeli Cabinet Agrees on Budget Cuts

JERUSALEM (Reuters) — The Israeli cabinet agreed Sunday evening on a 1984 budget totaling more than \$20 billion dollars but including a cut of \$169 million in military spending.

Finance Minister Yigal Cohen-Orag said the new total budgeted for Israeli defense, just under \$6 billion, "will definitely not affect the combat capability of the armed forces." The defense minister, Moshe Arens, had balked at such a reduction in his budget and, with the Education Ministry also fighting cuts, had been holding up approval of the overall budget.

The deputy prime minister, David Levy, said the ministers were now drawing up an "overall economic austerity program, which will reduce the standard of living but not to the extent that the public will not be able to bear." Railroad workers, engineers in the Israeli aircraft industry and Defense Ministry employees are on strike in support of demands for compensation over wage erosion. The rail strike, entering its second week, is hurting exports and costing Israel's phosphate industry \$1 million dollars daily, officials said.

Police Chase Gdansk Demonstrators

GDANSK, Poland (UPI) — Riot police chased Solidarity supporters through the streets of Gdansk on Sunday during a demonstration by 3,000 people that erupted after Lech Walesa, leader of the banned union movement, appeared at a special mass.

The mass at St. Mary's Cathedral was celebrated by Cardinal Jozef Glemp, the Polish primate, who earlier met with Mr. Walesa and hailed the bravery of the people of Gdansk, where the now-banned union was established in 1980.

Chanting "Down with food price hikes" and "There is no freedom without Solidarity," a crowd of 3,000 surged from the cathedral through the streets of the seaport toward the Lenin Shipyard, home of Solidarity. The police turned back the crowd as it neared the shipyard and chased scores more who tried to break through to a monument to workers killed in 1970 riots.

For the Record

Pope John Paul II is planning to visit Argentina, Chile, Peru and possibly other South American countries at the end of this year, but no dates have been set, Vatican sources said Friday. (UPI)

Stokely Carmichael, a leading U.S. black power advocate in the 1960s, was banned Sunday from entering Britain to start a speaking tour, the Home Office said Sunday, because his presence "would not be conducive of the public good." He had arrived from Nigeria and left aboard a flight to Washington. (AP)

Police in Santiago, Chile, used truncheons and water cannon Saturday to halt an anti-government demonstration by about 700 youths. The protest occurred after a Mass in a Santiago cathedral to mark the second anniversary of the death of former President Eduardo Frei. (UPI)

A prison typist in Rome who was fired this month for not meeting a Fascist-era height requirement, can have her job back, Justice Minister Mino Martinazzoli said Sunday. Antonella Cieselli was dismissed when her employers found that she was 4.5 centimeters (1.8 inches) shorter than the minimum 1.60 meters (5 feet 2 inches) required under a 1940 law. (Reuters)

President Chadli Bendjedid of Algeria named Abdelkader Boudiaf Sunday as prime minister of a new government that, officials said, would seek to promote efficiency in the economy. Mr. Boudiaf is noted for having liberalized the strict socialism of the late Houari Boumedienne, Colonel Chadli's predecessor. (AP)

Four French farmers were charged Sunday with theft, arson and damaging state property after pork producers rampaged through regional government offices last week, a prosecutor in the Brittany town of Brest said Sunday. The protest came after a sharp decline in pork prices. (Reuters)

Temperatures dropped to 40 degrees below zero centigrade (minus 40 Fahrenheit) Sunday in Chester, Massachusetts, and Guilford, Conn. Dulles International Airport outside Washington dropped to 22 degrees below zero centigrade (minus 18 Fahrenheit), while New York City recorded minus 22 centigrade (minus 9 degrees Fahrenheit).

Hassan Cites Conditions For Cairo in Islam Body

By Henry Kamm
New York Times Service

CASABLANCA, Morocco — King Hassan II of Morocco has confirmed that Egypt's return to the Islamic Conference Organization, decided on by the 42-member grouping after four days of talks, would not be without conditions.

A communiqué at the end of the meeting Thursday did not mention conditions for such a return by Egypt, which was suspended from the organization almost five years ago for signing a peace treaty with Israel.

But the king later confirmed reports in some Moroccan newspapers that Cairo would have to agree "to adhere to the principles, rules, and decisions of the Islamic Conference Organization," including a repudiation of the Camp David accords.

King Hassan indicated that Egypt's peace treaty with Israel should no longer stand in the way of Cairo's readmittance to the organization.

"For Egypt, Camp David is dead," King Hassan said. "This is so because it has obtained all its fruits. Egypt has recovered its occupied territories. It recovered its petroleum. Because of this, the substance of Camp David has been drained."

"Formally, the treaty remains," the king continued. "It is difficult, of course, to tear up treaties."

King Hassan quoted Mr. Mubarak as telling him at the UN General Assembly in New York: "Camp David remains alive only in the minds of the Arabs. In our

country, in Egypt, it is drained of its substance because Egypt obtained, thanks to Camp David, what it wanted."

King Hassan's account of Egypt's view of its commitments, not only to Israel but also to the United States, which sponsored the negotiations at Camp David and the treaty that ensued, was made at a news conference Friday.

The king said a committee of the foreign ministers of Guinea, Pakistan and Iraq, as well as Habib Chatti of Tunisia, secretary general of the Islamic conference, had been chosen to visit Mr. Mubarak and decide whether Egypt met the conditions to rejoin the organization. All favored Egypt's return at the conference.

Delegation leaders from Syria, Libya and South Yemen left the conference Thursday to protest the decision to restore Egypt's membership.

In a vote that was unusual in a body that normally decides by consensus, the three were reported to have cast blank ballots. Seven members were said to have abstained, while 32 voted in favor. Those abstaining included Algeria, Tunisia and Benin.

Yasser Arafat, chairman of the Palestine Liberation Organization, gave strong support to the readmission of Egypt by pointing out that the Islamic meeting in 1981 in Mecca and Taif, Saudi Arabia, which followed the Egyptian-Israeli peace treaty, had never formally expelled Egypt.

Conference sources said Mr. Arafat's visit to Cairo last month was decisive in creating the swing in Egypt's favor here.



SNOWED UNDER — Drivers near Inverness, Scotland, were stranded in deep snow drifts after blizzards struck the country Sunday. Rail passengers were also marooned.

Slow Progress Seen on East-West Ties

(Continued from Page 1)

smiling at the end of the meeting, the first comprehensive high-level review by the two countries in 15 months.

In short, it seemed as if the seeds had been planted for lessening tensions. But Mr. Shultz believes that any improvement in relations will be slow and incremental.

The two sides have engaged in increasingly exaggerated rhetoric toward each other over the past few years; the Geneva negotiations on reductions of intermediate-range nuclear missiles in Europe have in effect been suspended by the Russian walkout in November; and there seems no area, even in fields such as cultural exchanges or trade,

where visible cooperation has not ebbed.

At the same time, there is nothing resembling a Berlin problem, a Cuban missile crisis or even a Middle East confrontation that threatens to involve the superpowers.

Nevertheless, the lack of concord between Moscow and Washington provokes fears, particularly in Europe, and has prompted a desire among foreign ministers of the North Atlantic Treaty Organization and Warsaw Pact to return to at least the atmosphere of détente.

For Moscow, Mr. Reagan's decision to raise the level of discourse forces important policy decisions. The Kremlin must decide first whether Mr. Reagan is sincere when he says he wants real cooper-

ation. Then they must try to determine whether working with him, and thereby enhancing his chances for re-election, will produce the results Moscow wants.

Mr. Shultz said last week that in his talks with Mr. Gromyko "we made no headway" in bringing the Soviet Union back to the negotiating table in Geneva.

The Soviet Union did indicate that it would probably be ready to resume negotiations in Vienna on conventional force reductions in Europe, but that was more a concession to the Western Europeans than to the United States.

The determination of NATO to proceed with deployment of intermediate-range missiles in Europe, in the absence of any negotiated limit, forces Moscow to decide whether to seek some way to reduce talks that could produce a smaller number of U.S. missiles than the 572 that NATO plans to deploy, or to wait until the U.S. elections are over and hope that a Democratic victory would follow a different policy.

But Moscow must also consider that the decision to install the missiles was first reached by a Democrat, President Jimmy Carter, and is not one that a new president could easily scrap.

Shultz Warns Of U.S. Action

(Continued from Page 1)

days of intensive artillery rocket fire in the hills overlooking Beirut in which 32 persons were killed and more than 100 injured.

The east wing of the presidential palace at Baalbek, just east of Beirut, sustained severe damage when it was hit by seven shells on Saturday, President Gemayel, who was in his office at the time, was not hurt, nor was any of his staff.

A spokesman for Mr. Jumblat's Progressive Socialist Party said Druze forces aimed their rockets at the palace after the army's long-range artillery pounded Mr. Jumblat's ancestral home in Mukhtara, deep in the Chuf mountains.

When asked a series of questions, the polygraph is now routinely used within the CIA and the National Security Agency to try to anticipate security problems.

Last year the Reagan administration issued a directive expanding the use of the polygraph for investigating the unauthorized disclosures of sensitive information, but Congress recently approved legislation postponing these procedures until this spring.

"Government and business use this pernicious technology in a way to convince people that machines can do something that people cannot, that machines can get into someone's brain," Mr. Smith said. "I agree with those who describe polygraphs as 20th-century witchcraft, a modern version of the medieval world's trial by fire."

Mr. Smith is critical of how government has responded to the challenge of the new technology.

"The Supreme Court under Chief Justice Warren Burger has taken a restrictive view about privacy rights," he said. "If the invasion did not occur in the marital bedroom, the court

6 in E. Berlin Get to Leave For the West

Compiled by Our Staff From Dispatches

BERLIN — The government Sunday allowed six East Germans seeking exile to leave the U.S. Embassy in East Berlin and go to West Berlin, a West German government spokesman said.

The five men and one woman entered the U.S. Embassy on Friday and vowed to go on a hunger strike until they were allowed to go to the West.

The six, aged 19 to 43, left the embassy near Unter den Linden in three automobiles.

They drove through a checkpoint in the Berlin Wall to West Berlin, witnesses said.

A U.S. Embassy spokesman said the six East Germans left the embassy after the staff received an assurance they would not be arrested.

The six were accompanied to West Berlin by Hans Otto Braun, the head of the West German permanent representation in East Germany, and Wolfgang Vogel, an East German lawyer who for years has been involved in the "sale" of East German political prisoners to West Germany.

A spokeswoman at the U.S. Embassy said the lawyer had been involved in negotiations with the refugees from the beginning.

His presence led to speculation that the East German government had paid a large sum of money to get the East German government to allow the six to leave.

Last year West Germany bought freedom for 1,034 political prisoners.

On Friday, the five men and one woman walked past a East German guard at the embassy, met with a West German television correspondent inside and handed U.S. officials a written appeal to President Ronald Reagan.

In the letter, written in German, the six said they had been denied permission to leave East Germany for years and that two of them had been imprisoned for previous escape attempts.

They implored Mr. Reagan to help them flee a country whose "complete lack of freedom we can no longer bear."

The six also said they had mailed an appeal to East Germany's Communist leader, Erich Honecker.

The East German Foreign Ministry refused comment on the case, the first known incident of its kind at the U.S. Embassy in East Berlin.

A spokesman for the group said Friday that two of the men were sons of officials of the State Security Service, the East German secret police.

The West German newspaper Welt am Sonntag identified them as Bernd Macke, 28, who was thrown out of school for applying to leave East Germany, and Joerg Hejkal, 23.

It said Mr. Hejkal served 22 months in prison for trying to flee to the West through Yugoslavia, and another of the men, Bernd Appel, 43, served 18 months for a similar attempt.

The others were identified as Daniel and Petra Klingberg, a married couple from Potsdam, and Rene Faccin, 19, who was born in East Germany but has an Italian father and an Italian passport. (UPI, AP, Reuters)

Thatcher Backs New Policy By Allies Toward Moscow

(Continued from Page 1)

tions for his action, questioning not only whether Americans were in any real peril on the island but also whether the airstrip was a menace and whether a Communist government in Grenada posed any threat.

She said she had managed to coexist in the Commonwealth with a Communist prime minister of Grenada, and she declared skeptically, apropos of the oft-stated contention that the island is in the "backyard" of the United States, "Grenada is as far from the States as Cairo is from London."

But Mrs. Thatcher insisted that, contrary to previous reports, she had not been offended by the president's failure to consult her until the invasion was about to begin and it was too late to call it off.

Recalling the war in the Falklands, she said: "I have had my soldiers in the field and been responsible for the field. I know what it's like."

The prime minister's strongest criticism was reserved for U.S. economic policies, in particular for high interest rates. She said high rates were caused by people "putting a question mark over how long these enormous deficits can go on."

She said she would never countenance a policy like Mr. Reagan's, "year after year piling up not only debt but year after year piling up bigger and bigger burdens of interest payments on public expenditure."

High U.S. interest rates drive up European interest rates as well, she said, thus slowing down European and particularly British economic growth. The effect, she added, is that "when we're trying to recover, we've got this thing pulling us back."

Did she tell Mr. Reagan how much of a problem he was causing her?

"I'm not known for being recalcitrant about my views," Mrs. Thatcher said.

Turning to domestic issues: Mrs. Thatcher said that Britain was sitting on a "social-security time bomb" and that she therefore felt it essential to reconsider the whole web of public benefits built up since the end of World War II.

Mr. Thatcher made it clear for the first time that she had every intention of seeking a third term. She was re-elected with an increased majority last June and will probably not have to seek re-election again before 1987.

Publisher in U.S. Sees Revival of Privacy Fears

By David Burnham
New York Times Service

WASHINGTON — From a one-room office behind his Capitol Hill home, Robert Ellis Smith, a lawyer and former newspaper reporter, sounds the alarm about maintaining freedom and privacy in the computer age.

Mr. Smith, 43, is entering his 10th year as the owner, publisher and principal reporter of Privacy Journal, a monthly newsletter that charts the impact of technology on the rights of Americans.

He worries that today, as much as ever, the United States is threatened by the widespread intrusions described in "1984," George Orwell's novel.

"We haven't reached the Orwellian nightmare yet, in part because the computer is somewhat inefficient," he said recently.

"But what we are allowing the computers to do to our society is still quite upsetting. We seem to feel that the computers have so much information about us that we shouldn't take any risks, that we should be compliant people."

Mr. Smith said that public interest in privacy reached a peak in the period 1975 to 1977, when abuses of government power were uncovered in the congressional investigations of the Watergate scandals and activities of the Central Intelligence Agency. That resulted in the creation of the Privacy Protection Study Commission, which issued a national report in 1977.

"But with 1984 here, issues raised in George Orwell's novel seem to have revived a good deal of interest about where our society really is headed," he said.

Washington is the natural base for Mr. Smith. The Congressional Record, court decisions and obscure regulations published in the Federal Register are the raw materials of his newsletter. Occasionally a congressional hearing about privacy abuses by government and private industry will lure him out of his office. Often he gets tips from officials who share his concerns.

One bit of noncomputer technology that Mr. Smith has devoted many articles to is the polygraph, or lie detector, a device designed to measure the stress felt by a subject

when asked a series of questions. The polygraph is now routinely used within the CIA and the National Security Agency to try to anticipate security problems.

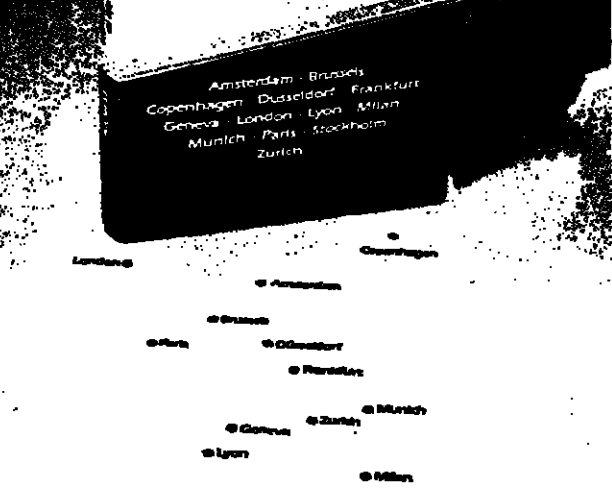
Last year the Reagan administration issued a directive expanding the use of the polygraph for investigating the unauthorized disclosures of sensitive information, but Congress recently approved legislation postponing these procedures until this spring.

"Government and business use this pernicious technology in a way to convince people that machines can do something that people cannot, that machines can get into someone's brain," Mr. Smith said. "I agree with those who describe polygraphs as 20th-century witchcraft, a modern version of the medieval world's trial by fire."

Mr. Smith is critical of how government has responded to the challenge of the new technology.

"The Supreme Court under Chief Justice Warren Burger has taken a restrictive view about privacy rights," he said. "If the invasion did not occur in the marital bedroom, the court

The Trib's new guide for business travel brims with valuable information



There's never been a guide quite like it. Thirteen European business cities, analyzed in detail according to a business traveler's wants and needs. It's the key to turning that ordinary business trip into a more pleasant, more efficient journey.

Seven subdivisions under each city include: 1. Basic city overview with vital information. 2. Hotels, with emphasis on business services. 3. Restaurants, for on and off-duty pleasure. 4. After hours suggestions. 5. Diversions, from grand opera to jogging. 6. Shopping. 7. Weekend ideas.

Trib business readers all across Europe shared their most treasured travel secrets with journalist Peter Graham. The result: a book for business travelers with contributions from business travelers. Over 200 pages, this hardcover edition is available directly from the Trib. A great gift idea for colleagues, business contacts, or yourself. Order today.

THE INTERNATIONAL HERALD TRIBUNE GUIDE TO BUSINESS TRAVEL & ENTERTAINMENT: EUROPE U.S.\$ 16 or equivalent in any convertible European currency plus postage; in Europe, please add \$1.50 per copy, outside Europe, please add \$4.00 per copy. 23-184

Send your check or money order to: International Herald Tribune, Special Projects Department, 181, avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Please send me _____ copies of the I.H.T. Europe Guide. Name: _____ Address: _____ City/Code/Country: _____

AMERICA

\$40 Million Worth Of Clean Consciences

A one-time amnesty for Massachusetts tax evaders brought in \$40 million to the state treasury and cleansed the consciences of 60,000 taxpayers in a three-month experiment that ended last week. State officials said the response "extraordinarily exceeded the response" in Washington.

Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, suggested the federal government try one too.

"I believe it is clear from the impressive results of the tax amnesty in

AMERICAN TOPICS

\$40 Million Worth Of Clean Consciences

A one-time amnesty for Massachusetts tax evaders brought over \$40 million to the state treasury and cleansed the consciences of 60,000 taxpayers in a three-month experiment that ended last week. State officials termed the response "extraordinary," and in Washington, House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, suggested the federal government try one too.

"I believe it is clear from the impressive results of the tax amnesty in Massachusetts," Mr. O'Neill declared, "that there are probably millions of citizens across the nation who would take advantage of the opportunity to settle their accounts with the federal government."

The Massachusetts revenue commissioner, Ira A. Jackson, said that "fear, guilt or gratitude" motivated the tax evaders who voluntarily came forward and paid up back taxes in exchange for amnesty from penalties and criminal prosecution.

about a U.S.-Soviet confrontation in the Arctic. Wags at the network said they had been relishing the prospect of an announcer's voice saying, "We interrupt 'World War III' for an announcement by President Reagan."

That will not happen, however; all the networks will trim their programs by five minutes so that Mr. Reagan's 10:55 P.M. address will follow rather than interrupt them. The networks insisted that the speech come after rather than cut into the regular programs.

Notes on People

The White House officer who serves as President Reagan's link to conservatives, Morton C. Blackwell, is leaving his job as special assistant for public liaison at the end of January and plans to work with rightist political groups to shape the future of the conservative movement. A replacement has not yet been picked for Mr. Blackwell, who was described by other White House aides as resigning in frustration rather than anger. Mr. Blackwell, who ran Youth for Reagan in the 1980 campaign, recently sought unsuccessfully to get White House backing for a Nebraska fundamentalist church school that was closed by the state in a dispute over teacher accreditation.

The chairman of the National Endowment for the Humanities, William J. Bennett, is refusing to set numerical hiring goals for women and minority group members as his 235-employee agency. The government's Equal Employment Opportunity Commission requires hiring goals at 110 agencies, but Mr. Bennett says that his agency will neither favor nor slight anyone because of race, color, sex, religion or national origin. Mr. Bennett also cited the example of the Justice Department, which refused to set hiring goals last year.

Stanford Says Meese Flunks Library Test

Unable to reach agreement with the White House over control of a proposed public affairs center, Stanford University reportedly is giving up hope of obtaining the Ronald Reagan presidential library.

In a sharply worded statement released by the university, Stanford's president, Donald Kennedy, said that Mr. Reagan's counsel, Edwin Meese, "has made it plain, on behalf of the president, that academic governance is not merely a principle in which he is interested, it is one he wishes actively to reject."

Stanford wants university officials to control a public affairs center linked to the library, while the White House wants it be run by the Hoover Institution, a semi-independent conservative think tank situated on the campus. The Hoover Institution already holds Mr. Reagan's papers from his presidential election campaigns and his two terms as governor of California.

Mr. Kennedy said that Mr. Meese had told university officials that "the president's interest in Stanford University, beyond the Hoover Institution, is zero." A spokesman for Mr. Meese said that he would have no comment.

With the White House and Stanford at an impasse over the proposed \$65-million complex, other universities are showing interest in the library. One, according to Stanford sources, is the University of California, Santa Barbara, situated near the president's ranch.

BRIEFS

Resume Vienna Talks

The United States has agreed to a new round of conventional arms talks with the Soviet Union in Vienna.

The talks, officially dealing with mutual reductions in Warsaw Pact and North Atlantic Treaty Organization forces, are being held in Vienna. But administration sources said they are held out for now a new initiative.

Foreign Minister Andrei A. Gromyko of the Soviet Union said that the U.S. had "declined to set a date for the talks in Geneva, recessed after Moscow walked out of the last round of U.S. medium-range missile talks."

Concede Hong Kong Role

Britain has in principle conceded the role of Hong Kong after 1997 when the lease expires.

Prime Minister Margaret Thatcher last month said that Britain would not demand to retain administrative control of Hong Kong. She was advised that the best guarantees possible from Hong Kong would be to let it remain a free port.

Conservative cabinet minister who is in charge of the colony's commercial life to continue to be a free port. Thatcher had no one to speak for Britain's position on Hong Kong. "Confidential and best kept secret," she said.

Powell Criticized by Right

Richard Powell, a rightist member of the House of Representatives, criticized a speech of Queen Elizabeth II in which she said that "the British people are proud to be a part of a Commonwealth of nations."

Conservative cabinet minister who is in charge of the colony's commercial life to continue to be a free port. Thatcher had no one to speak for Britain's position on Hong Kong. "Confidential and best kept secret," she said.

Conservative cabinet minister who is in charge of the colony's commercial life to continue to be a free port. Thatcher had no one to speak for Britain's position on Hong Kong. "Confidential and best kept secret," she said.

Rejects Report on Cop

The Honduran government has rejected a report that a Honduran soldier had been shot near the Nicaraguan border.

Colonel Danilo Ferrera, who was shot, was a member of the Honduran army. He was shot while on a mission to the Nicaraguan border. The report said that he was shot by a Nicaraguan soldier.

Man Is Shot in Rome

A 39-year-old man was shot in the chest in a neighborhood of Rome. The man was shot while walking on a sidewalk. The police are investigating the shooting.

Israel Agrees on Budget

The Israeli cabinet agreed to a budget totaling more than \$20 billion for 1984. The budget includes a 10% increase in military spending.

The Israeli cabinet agreed to a budget totaling more than \$20 billion for 1984. The budget includes a 10% increase in military spending. The cabinet also agreed to a 10% increase in social security contributions.

Gdansk Demonstration

Riot police chased Solidarity demonstrators on Sunday during a demonstration in Gdansk. The demonstrators were protesting against the government's plan to renege on promises made to the Solidarity union.

cord

It is planning to visit Argentina. The visit is part of a tour of Latin America. The visit is being organized by the U.S. State Department.

It is planning to visit Argentina. The visit is part of a tour of Latin America. The visit is being organized by the U.S. State Department. The visit is being organized by the U.S. State Department.

cord

It is planning to visit Argentina. The visit is part of a tour of Latin America. The visit is being organized by the U.S. State Department.

It is planning to visit Argentina. The visit is part of a tour of Latin America. The visit is being organized by the U.S. State Department.

It is planning to visit Argentina. The visit is part of a tour of Latin America. The visit is being organized by the U.S. State Department.

It is planning to visit Argentina. The visit is part of a tour of Latin America. The visit is being organized by the U.S. State Department.

It is planning to visit Argentina. The visit is part of a tour of Latin America. The visit is being organized by the U.S. State Department.

It is planning to visit Argentina. The visit is part of a tour of Latin America. The visit is being organized by the U.S. State Department.

It is planning to visit Argentina. The visit is part of a tour of Latin America. The visit is being organized by the U.S. State Department.

It is planning to visit Argentina. The visit is part of a tour of Latin America. The visit is being organized by the U.S. State Department.



Six Democratic contenders for the presidency listened to a question at a forum on farm policy in Ames, Iowa.

Contenders Corral Mondale at Iowa Farm Forum

By Bill Peterson

AMES, Iowa — A weekend farm forum with six of the eight major Democratic presidential candidates turned into a free-wheeling fight over foreign trade policy with the front-runner, Walter F. Mondale, in the middle.

During a debate televised in the state and other parts of the country Saturday, the former vice president was repeatedly criticized for his support of "domestic content" legislation and his defense of President Jimmy Carter's 1980 embargo of U.S. grain sales to the Soviet Union after its intervention in Afghanistan.

Senator Gary Hart of Colorado, joined by Reubin Askew, the former Florida governor, led the attack. Mr. Hart asserted that legislation to require that a certain percentage of each imported auto be made in the United States "would be a disaster for Iowa" because it would hurt farmers and "invite foreign countries to take over our domestic auto industry."

He said the bill, which is backed by the AFL-CIO, the huge U.S. labor federation, could also prompt foreign countries to erect trade barriers against American farm exports.

Unlike in other debates, Mr. Mondale, of Minnesota, was not alone in countering Mr. Hart and Mr. Askew. He was joined in defending the domestic content bill by Senator Alan Cranston of California and Senator Ernest F. Hollings of South Carolina.

Mr. Cranston and Mr. Hollings also supported Mr. Carter's grain embargo, but they attacked Mr. Mondale for leading the public fight over the issue. "I followed your leadership," Mr. Hollings told Mr. Mondale.

The debate took place against a backdrop of controversy over the Reagan administration's farm policy and widespread hardship affecting small Middle Western farms, manufacturers and small-town businesses.

Federal farm programs have become one of the most expensive items in the U.S. budget, rising in cost from \$4 billion in 1961 to \$21 billion in 1983 as farm income fell and commodity prices rose.

The debate, sponsored by a coalition of Iowa farmers, took place at Iowa State University. Senator John Glenn of Ohio and the Rev. Jesse L. Jackson, who lives in Chicago, who said they had schedule conflicts, did not attend the debate, which attracted a crowd of 1,200 people.

Iowa, which will hold the na-

U.S. Officials Seek to Avert Pesticide Ban

By Cass Peterson

WASHINGTON — The Agriculture Department is spearheading efforts to keep ethylene dibromide on the market while warning that efforts to set a stringent residue standard for the cancer-causing chemical could be "devastating" to the food industry.

At the suggestion of a department official, farm and chemical industry officials held a two-day session this month to coordinate efforts to retain the chemical as a fumigant for citrus fruit, stored grain and milling equipment.

Meanwhile, Agriculture Secretary John R. Block, at a news conference Thursday in San Francisco, said a decision by Florida officials to ban food products containing traces of ethylene dibromide was "ridiculous" and could be "devastating" if adopted nationwide.

EDB, described by Environmental Protection Agency officials as the most powerful carcinogen the agency has tested, has been at the center of a mounting controversy since December, when Florida started a recall of foods containing more than one part per billion.

The action has triggered a major federal effort to set a standard for ethylene dibromide residues in foods, an attempt complicated because, by some estimates, virtually all of the nation's grain stockpile may have been tainted.

The environmental agency, which last year proposed a gradual phase-out of most uses of ethylene dibromide, is considering an emergency ban.

But, as Mr. Block's comments suggest, any strong action by the EPA is likely to be opposed by the Agriculture Department.

Ethylene dibromide, once widely used as a soil fumigant, was banned for that purpose by the EPA in October. But it is still used as a fumigant on stored grain, citrus fruits and milling equipment.

tion's first Democratic precinct caucuses on Feb. 20, is a state of 117,000 mostly small- and moderate-size farms. Much of the population lives in towns of 2,500 or less. The Democratic contenders tried to place themselves on the side of family farmers and blamed much of the farmers' problems on the Reagan administration.

George S. McGovern, a former South Dakota and the 1972 Democratic presidential nominee, seemed to become the crowd favorite by saying he favored price supports giving farmers 90 percent of parity and having the United States join with other major grain exporters to set a "reasonable price" on grains sold in international markets.

Asked what hard-pressed farmers should do immediately, Mr. McGovern drew loud applause by replying: "I'd say if you could hold on until the election and the Democrats win, you'll be OK. If Reagan wins, I'd sell the farm and buy a bomb shelter."

Party Rejects Mondale-Jackson Pact

By Howell Raines

WASHINGTON — Democratic Party officials have rejected an attempt by campaign officials for the Rev. Jesse L. Jackson and former Vice President Walter F. Mondale to negotiate a settlement in Mr. Jackson's challenge of the party's delegate-selection rules.

The collapse of the compromise marks the failure of the Mondale campaign's most dramatic effort to date to make peace with Mr. Jackson and thereby blunt one of the major threats to Mr. Mondale's candidacy.

Representatives of Mr. Mondale, in a major concession, agreed to the lowering of the "threshold" that requires candidates to get 20 percent of a state's primary or caucus vote before qualifying for a proportional share of the state's convention delegates.

But the executive committee of the Democratic National Committee, in a four-hour meeting Friday,

declined to consider a resolution allowing states the option of the 10 percent threshold regarded by Mr. Jackson as fair to minority voters and candidates with only an outside chance.

Mr. Mondale and Mr. Jackson had apparently agreed in concept on a "sense of the committee" resolution that would allow states to lower the threshold. There was also consideration of a provision to allow states to set aside a rule allowing a "bonus delegate" to the top vote-getter in each congressional district.

The high threshold and bonus rules are regarded as favoring campaign front-runners. In agreeing to their alteration, Mr. Mondale reversed his position that the rules, adopted in 1982 after long hearings, ought to be sacrosanct.

The rejection of the compromise by party officials came despite Mr. Jackson's warnings of a racial split that could cost the Democrats the 1984 election.

As a result, Mr. Jackson refused

to address a meeting of the executive committee and instead dispatched his campaign chairman, Mayor Richard Hatcher of Gary, Indiana, to address party officials at the Washington-Sheraton Hotel.

Mr. Hatcher, a vice chairman of the Democratic National Committee, said Friday's meeting had been "fixed" in advance to reject Mr. Jackson's request for rules changes. He warned the officials that they were supporting "the exclusion of many people who are important to this party if it is to achieve victory in November."

Robert G. Beckel, the director of the Mondale campaign, said Mr. Mondale ordered him to enter the negotiations when it was learned that Mr. Jackson was willing to drop all his other objections to party rules in exchange for a single concession on the threshold rule.

Privately, Mondale campaign officials blamed Charles T. Manatt, the Democratic Party chairman, for failing to push for passage of the agreement.

As Congress Returns, Prospects Are Slim for Progress on Big Issues

By Helen Dewar

WASHINGTON — With its attention riveted on the campaign calendar, the 98th Congress returns to town Monday to confront President Ronald Reagan with new tests over such old problems as Lebanon, Central America and federal budget deficits.

Pressure for a U.S. pullout from Lebanon has been growing during the two-month congressional recess, and Democrats probably will move quickly to debate — if not act on — moves to bring home the U.S. Marines in the multinational peacekeeping contingent there.

The administration's policies in Central America, coupled with the ambitious aid plan proposed by Mr. Reagan's National Bipartisan Commission on Central America, face intense debate over the size and mix of military and economic aid, as well as requirements for human rights compliance.

Even some leading Republicans are talking again of trying to coax Mr. Reagan to accept a tax increase as part of an assault on federal budget deficits.

But the prospects of any bold strokes from Capitol Hill are clouded by the political uncertainties of a year in which Republicans are defending their control of the Senate and the White House and Democrats are fighting to keep or expand the big vote margin that gives them a functioning majority in the House.

Moreover, Congress's record of assertiveness on budget deficits and sensitive foreign policy issues is mixed, even for noncampaign years. Wary of Mr. Reagan's skills at attributing blame, Congress frequently has flinched just short of confrontation. It has made the most headway in areas where accommodation can be reached or the White House can be pressured into redefining its position.

The agenda of unfinished business — overhaul of immigration laws, the equal rights amendment, restructuring bankruptcy courts, revising criminal laws, major environmental legislation and action on natural-gas prices — is long and growing. On some of the issues,

such as immigration, major hurdles have been scaled.

But constituency pressures loom large in campaign years. For the knottiest of the problems, such as budget deficits, there is little prospect of much progress, according to most legislative leaders. Unless a crisis forces action, solutions to the most intractable problems hinge on the kind of bipartisan sacrifice and risk-taking that cannot often be achieved in the heat of political combat, they say.

Representative Thomas S. Foley, Democrat of Washington and an assistant floor leader, said: "I don't expect one of the most productive sessions we've ever had, but if it does a few things, or at least makes a start, it will be valuable."

"If we can do a budget, plus appropriations bills, plus a handful of major items, we'll be lucky," said Howard H. Baker Jr. of Tennessee, the Senate majority leader.

Even if the session is a legislative bust, some lawmakers say it could be helpful in laying groundwork for next year.

"There probably will be a good deal of filtering-out of options so that the framing of issues will be a lot sharper in 1985," said Senator Richard G. Lugar, an Indiana Republican.

But for this year, the legislative calendar speaks volumes. Assuming that business will be transacted on Mondays and Fridays, which is rash even for non-election years, only about 100 working days remain before the Democrats' and Republicans' national conventions this summer. After that, Congress hardly will be in town at all.

Some key lawmakers say they believe that little of substance will happen after the first three or four months of the year.

Policies will be on the docket almost from the first fall of the gavel. The Republican-led Senate will be grappling with the politically charged issue of telephone rates. It must decide whether to go ahead with a two-year deferral of a \$2-a-month access fee that the Federal Communications Commission, under heavy congressional pressure, already has delayed.

Just opened in Zurich and Geneva: Dresdner Bank (Switzerland) Ltd.

If you are looking for a bank in Switzerland, which is operating worldwide, to place and manage your investments, then you should consider the newly established Dresdner Bank (Switzerland) Ltd. It operates as an independent Swiss bank under Swiss laws. Dresdner Bank (Switzerland) Ltd. offers you all services which you expect from a bank in Switzerland.

It is wholly owned by the Frankfurt based Dresdner Bank-Group, one of the world's leading banks.

The Dresdner Bank (Switzerland) Ltd. is at your disposal in Zurich and Geneva, to manage your investments and to provide

professional advice, especially in the securities, money and precious metal markets, but also for foreign exchange transactions as well as loans, ranging from credits to bond issues.

Every branch and representative office of Dresdner Bank, both in Germany and abroad, will be pleased to arrange for you the contact with Zurich or Geneva. Or, if you prefer, you are welcome to contact the General Management directly:

In Zurich, Mr. Helmuth Stanisch, Tel.: Switzerland 01/ 251 91 00; in Geneva, Mr. Werner Benz, Tel.: Switzerland 022/32 54 54.



Dresdner Bank

New Herbicide Study Sought by Congressman

By Philip M. Boffey

WASHINGTON — A senior member of the House Veterans Affairs Committee has called for an international study of whether Agent Orange, a herbicide used to defoliate trees and kill crops in the Vietnam War, had caused harm to the Vietnamese who were exposed to it.

Representative Don Edwards, a Democrat from California who recently returned from a week in Vietnam, said an objective study conducted there could help resolve the dispute over whether the herbicide caused long-term harm to U.S. troops. It was used to destroy vegetation that provided cover for the Vietnamese.

Mr. Edwards said that in visiting hospitals in both Ho Chi Minh City and Hanoi he heard far fewer complaints of suffering among male Vietnamese veterans than he had expected, based on complaints by U.S. veterans.

Some Vietnamese officials said that male veterans were suffering from itchy skin, inability to sleep and other health problems, he reported, and one doctor said he was convinced that male veterans had chromosome damage.

Mr. Edwards said he would issue a report next week calling for an international study. He said it should be conducted by a respected international organization, perhaps the World Health Organization or the Food and Agricultural Organization, both of which are specialized agencies of the United Nations.

of scientists from Western and Communist-bloc countries that visited Vietnam a year ago said it found the studies "suggestive" but not conclusive.

The federal government is sponsoring more than 50 studies of Agent Orange in the United States. The key studies require accurate records of where people were at the time the herbicide was sprayed and of subsequent health problems. Some U.S. scientists doubt that adequate records for such a study exist in Vietnam.

Mr. Edwards said that in visiting hospitals in both Ho Chi Minh City and Hanoi he heard far fewer complaints of suffering among male Vietnamese veterans than he had expected, based on complaints by U.S. veterans.

Some Vietnamese officials said that male veterans were suffering from itchy skin, inability to sleep and other health problems, he reported, and one doctor said he was convinced that male veterans had chromosome damage.

Mr. Edwards said he would issue a report next week calling for an international study. He said it should be conducted by a respected international organization, perhaps the World Health Organization or the Food and Agricultural Organization, both of which are specialized agencies of the United Nations.

Vietnamese scientists have conducted studies concluding that birth defects and cancer appear related to Agent Orange. One group

of scientists from Western and Communist-bloc countries that visited Vietnam a year ago said it found the studies "suggestive" but not conclusive.

Case to Appeal Finding on Equal Similar Jobs

Mr. Reynolds's appeal would have to be proved by the solicitor general.

Justice Department officials usually seek White House approval for the briefs they file in the Supreme Court on cases involving federal employees.

Former Vice President Walter Mondale, a candidate for the Democratic presidential nomination, said Thursday that there had been a failure to enforce the law.

Two other Democratic candidates, Senator Gary Hart of Colorado and Senator John Glenn of Ohio, have also endorsed the law.

Mr. Reynolds and other Department lawyers argue that the law is unconstitutional because it is primarily for men and women without discrimination.

Second, the lawyers said, it is difficult to assess the value of the work done by the men and women.

Third, they said, it would be difficult to carry out the law. "Do we bump everybody up or lower everybody down?"

Morris B. Abram, vice president of the U.S. Commission on Civil Rights, a Democrat, said that Mr. Reynolds' appeal was a "bad idea."

Officials at the White House said they were not commenting on the appeal.

Communists and Unions Press French Leaders To End Austerity Policy

By Axel Krause

International Herald Tribune

PARIS — Amid growing unemployment and signs of new labor unrest, the Communist Party of France and most of the trade unions in the country have actively pressed the Socialist government of President Francois Mitterrand to reverse its policy of austerity in favor of an expansionist and "buy-French" approach to industrial policy.

Georges Marchais, the party's general secretary, warned in a television interview that the government's austerity policy was leading the economy "right into catastrophe" and that "we are not going to become a rubber stamp" within the government and the National Assembly.

Although Mr. Marchais said it was "enough" that his party leave the government, political and diplomatic observers said that his statements Friday reflected a new tough line on the government's industrial policy, notably with regard to eliminating jobs in ailing sectors of the economy, such as steel, coal and shipbuilding.

In a detailed report to the party's general committee, Mr. Marchais said, "On our fundamental policy... we say: no firing, not another jobless person."

But Pierre Bérégovoy, the minister of state affairs, rejected the stand in a radio interview Saturday, stating, "By holding back on mutations, one gets locked into a dead end. There can be no durable solution for employment if our companies are not competitive."

But a senior Socialist Party figure said privately that the French labor scene "may heat up very fast, and may even turn violent." Clearly, Marchais was positioning himself as a hard-line Mitterrand was listening hard.

According to French government statistics, there are now more than 2.2 million unemployed, and the numbers, after having remained stable for several months, are rising. Unemployment will reach three million by the end of the year, according to some union estimates.

In what is widely expected to become a new test case of government intentions, large unions have called for major demonstrations by shipyard workers Tuesday in an effort to reverse the government's



Georges Marchais

plan to dismiss several thousand workers in the industry. The unions are insisting on new government-backed subsidies, and the cancellation of the recent order by Delmas-Vieljeux, a private shipowner, to buy four freighters in Yugoslavia.

"The ships should be ordered in our yards," an official of the General Confederation of Labor, or CGT, said, noting that last year French shipowners ordered only three of 21 ships from domestic yards.

A government decision on the Delmas-Vieljeux request to order the ships in Yugoslavia is expected Monday. "We are negotiating hard to find a compromise," said a senior government official involved in the discussions. "Yet we cannot appear protectionist, or talk too loudly about pursuing a 'buy-French' policy as the Communists and unions are urging."

Commenting on the session, Anicet Le Pors, state secretary for public administration, and union leaders representing seven million public-sector employees ended inconclusively.

"They were polite," said one of the union officials, "but came up with no specific proposals for wage increases, and no new meeting has been scheduled."

Commenting on the session, an adviser to Mr. Le Pors, one of four Communists in Mr. Mitterrand's cabinet, said that "we decided not to make any proposals... We will leave the unions with time for reflection," emphasizing the government is sticking with its goal of cutting France's inflation to 5 percent in 1984 from around 9.2 percent last year.

Some seasoned observers believe that the government has a good chance of succeeding in its austerity drive despite the emerging pressure to switch to more expansion and protection.

"There will be more talk and demonstrations by unions," said John B. Condon, a former labor counselor at the U.S. Embassy in Paris who is now a consultant, "but I believe the government has a good chance of pulling it off and winning acceptance for sacrifices by unions. I see no give in their stance until 1986, meaning that 1984 will indeed be a very difficult year."

Johnny Weissmuller, Star of Tarzan Films, Dies at 79 in Acapulco

New York Times Service

NEW YORK — Johnny Weissmuller, 79, the Olympic swimming champion who went on to movie fame as Tarzan of the Jungle, died Friday at his home in Acapulco, Mexico, a funeral home spokesman said.

Mr. Weissmuller suffered a series of strokes in 1977 and had a history of heart disease. He had been an invalid since 1979. He moved to Mexico that year.

One of the millions of Tarzan lovers ever knew Mr. Weissmuller as the swimming phenomenon who won five Olympic gold medals and set 67 world records in the 1920s. He captured three of his gold medals at age 20 in the 1924 Olympics in Paris, winning the 100-meter and 400-meter freestyle races and anchoring the 800-meter freestyle relay team.

In the 1928 Olympics in Amsterdam, he won his fourth and fifth gold medals, one in the 100-meter and the other anchoring the 800-meter relay team.

He made close to 20 Tarzan films, the last one in 1949. Mr. Weissmuller said that playing Tarzan "was right up my alley." He said, "It was like stealing. There was swimming in it, and I didn't have much to say."

"How can a guy climb trees, say 'Me Tarzan, you Jane,' and make a million?" he asked.

He was born in the southwestern Pennsylvania town of Windber shortly before his Vienna-born parents moved to Chicago. He dropped out of school in the eighth grade.

From 1965 until November 1973, Mr. Weissmuller lived in Fort Lauderdale, Florida, with Maria, the last of his five wives.

Panteleimon Ponomarenko, Soviet Guerrilla Leader
NEW YORK (NYT) — Panteleimon K. Ponomarenko, 81, a Soviet guerrilla leader in World War II who rose to national prominence in the last five years of Stalin's rule, died Wednesday, a hospital spokesman said.

Mr. Ponomarenko served as the Communist Party leader of the Byelorussian republic, got caught up in Kremlin infighting before and after Stalin's death in 1953, was removed from political authority by Khrushchev, and ended his career in virtual exile as a diplomat before retiring in 1962.

Jackie Wilson, 49, American Songwriter
WILLINGBORO, New Jersey (UPI) — Jackie Wilson, 49, a singer and songwriter whose 1958 best-seller "Lonely Teardrops" made him a star, died Saturday at Burlington County Memorial Hospital, New Jersey, a hospital spokesman said. At his family's request, information about his illness will not be released, he said.

"Lonely Teardrops" was No. 1 on U.S. charts and a hit in Europe, becoming a million seller worldwide. Other Wilson hits in the late 1950s and early 1960s included "Talk Talk," "Baby Workout," "You Better Know It," "Dog-Around" and "Woman, a Lover, a Friend."

Other deaths:
Earl Moran, a calendar artist whose pastel drawings of women adorned barber shops and locker rooms for more than 25 years, Tuesday in Los Angeles at age 90. Mr. Moran's interpretations of Marilyn Monroe, Betty Grable, and others ranked him with Norman Rockwell as the highest-paid artist in the United States.

Max Bentley, Hockey Hall of Fame center whose stylish puck-handling earned him the nickname as the "Dippy Doodle Dandy of Delisle (Sask.)," Thursday at a hospital in Saskatoon, Saskatchewan. He was 63.

Paul Ben-Haim, 86, a leading Israeli composer, Jan. 14 in Tel Aviv. Born Paul Frankfurter in Munich, he began playing the violin



Johnny Weissmuller

U.S. May Buy Copters To Block a Sale to Iran

By Fred Hiatt

Washington Post Service

WASHINGTON — The Defense Department has set aside \$110 million to buy 11 Italian-made helicopters, obsolete by U.S. Army standards, because the aircraft might otherwise end up in Iran, according to knowledgeable administration officials.

The CH-47C Chinook transport helicopters were part of a \$425 million order that the Shah of Iran placed with the aircraft manufacturer Agusta. Since the Shah was overthrown in 1979, the United States has pressed Agusta not to accede to demands from Ayatollah Ruhollah Khomeini's government to consummate the sale.

Some U.S. government and industry officials said they believed the matter was settled several years ago, when the United States arranged for Egypt to buy 15 Chinooks from Agusta. But the manufacturer more recently told the Pentagon that 11 helicopters from the original order remained on the lot, officials said, and the company threatened to sell them to Iran.

U.S. officials said they believed that Agusta, because of legal restrictions and its desire to maintain friendly relations with Washington, would not follow through on that threat. But they said they decided the army should purchase the 11 Chinooks anyway because it was the fair thing to do and in order to keep peace with the Italian government.

If purchased, the large, twin-engine CH-47Cs will have to be upgraded with improved engines, transmissions, rotor blades and lift capacity by the Boeing Vertol Co. in Pennsylvania. Each upgrading

costs about \$6 million, a Vertol spokesman said recently.

U.S. officials stressed that, while \$110 million has been set aside in the still-unpublished 1983 budget, no deal has been struck with Agusta. They said the army may try to buy the aircraft for less than \$110 million or may press Agusta to help pay for the upgrading.

They also said that the 11 new helicopters would go to the end of a line of about 400 Chinooks in the U.S. inventory awaiting upgrading at Vertol. By the time their turn comes, the officials said, the Italian helicopters might be due for scheduled overhaul anyway, and so the extra cost would not be as great.

The decision by top defense officials to authorize the purchase was intended to soothe disgruntled Italian leaders who, like many other Europeans, are convinced that the "two-way street" they seek in arms trade with the United States is tilted in Washington's favor.

But the negotiations also have had to soothe the army, which did not want the purchase to count against its modernization programs, and Boeing Vertol, which worried that the Agusta sale might cut into its business.

Pentagon officials said they hoped they solved these problems during last-minute budget deliberations by finding \$110 million without cutting into the army's request. It could not be learned where that money came from, but the amount is small compared with the department's \$305-billion request or the army's \$78-billion request.

The Shah originally ordered 50 helicopters, including spare parts and support, for \$425 million, and paid a substantial deposit.

LETTERS TO THE EDITOR

The Missile Debate

I agree with the Washington Post editorial "Eastern Europe's Missiles" (IHT, Dec. 30) condemning new Soviet nuclear weapons deployment in East European countries as a violation of their sovereignty. But I disagree that there is a "crucial difference" in the way cruise and Pershing-2 missiles are being deployed in Western Europe.

The editorial says the Western deployment followed "full and open debate and democratic choice." But the NATO decision was made behind closed doors, and a full and open debate has still not been held in most countries. None of the ruling party MPs showed up for the scheduled Italian parliamentary debate. The British parliamentary "debate" lasted only several hours in a virtually (20 MPs) empty chamber (others showed up only for the vote). The Danish parliament had a full debate recently and voted against deployment.

And where is the people's "democratic choice"? That the majority in every West European country (except perhaps France), including all in which deployment is scheduled, opposes the new weapons has been known for two years, demonstrated by public opinion polls in which the question was asked directly.

The deployment of cruise and Pershing-2 missiles in Western Europe seems to fly in the face of full and open debate and democratic choice by the people.

WILLIAM MOYER, London.

There was no "open debate" or "democratic choice" before NATO's 1979 decision to deploy Pershing-2 and cruise missiles. It is precisely the furtiveness of the whole operation of missile deployment in Europe and the absence of prior democratic discussion that have caused alarm among thinking Europeans and carried the peace movement in the East and West from strength to strength. This trend — provided we survive — will continue until the missiles are withdrawn and Europe becomes a nuclear-free zone.

K.G. KNIGHT, Leeds, England.

A Bridge Abroad

Regarding "China Courts Emigrants for Funds, Know-How" (IHT, Jan. 9) by Christopher S. Wren:

The term "huajiao" for overseas Chinese does not mean "bridge to China" as claimed by your correspondent. In fact, the term denotes "Chinese sojourning (abroad)" or "Chinese residing (abroad)" — the Chinese character in the term being different from the identically pronounced "qiao" for "bridge."

The character for the "qiao" of the

sojourner incorporates the symbol for "person," and that for bridge the symbol for "wood," a natural material for bridges.

Apart from etymology, present parlance in the People's Republic would most likely refer to "fatherland/motherland" when talking of such overseas Chinese.

HANS E. DULDNER, Vienna.

Greece and Turkey

Regarding "Greek-Turkish Suspicions Resurging Along Border" (IHT, Dec. 29):

I was surprised to read what was reported about Greek-Turkish relations. Having lived in both countries, I have never felt what the report attempted to explain. I think that the populations of both Turkey and Greece have other worries: it is only the politicians, the press and other suspicious powers who have tried to deprive the Greeks and the Turks of the friendship they both need and desire.

GEORGE J. BESL, Athens.

Vis-à-Vis

The Washington Post editorial "The Gatekeepers Again" (IHT, Jan. 10) states, "Any of us can travel to Western Europe without visas of any kind." Maybe Washington editorial writers can, but in most countries, ordinary slobos will have visas stamped in our passports which limit our stay, usually to six months. We may also be questioned about the purpose and length of our visit and our solvency, and a visa can be refused.

AL HIX, London.

The query, "Why then must America be so embarrassingly restrictive?" is a good one.

CRAIG LERBEKMO, Edmonton, Alberta.

DIAMONDS

YOUR BEST BUY

Single diamonds at wholesale prices by ordering direct from Antwerp, the world's most important cut-diamond market. Give diamonds to the ones you love, buy for investment, for your enjoyment.

Write airmail for free price list or call us:

Joachim Goldenstein
diamondexpert
Established 1928
Pellmarstrasse 62, B-2018 Antwerp, Belgium - Tel. (32-3) 224.87.51.
Telex: 71779 pbl
at the Diamond Club Bldg.

Gold Medal

FOR HIGHEST QUALITY DIAMONDS

1978-1979

Critical Opinion Pravda Satirizes Reagan's Folk Tale at U.S. Request In Soviet Version, 'Jim' and 'Sally' Are Poor, Afraid

West's Federal Supreme Court further consideration of the case by the appellate court. The case still is in effect.

West's Federal Supreme Court the standard reference source for opinions of the federal courts. But West is a private company and, like all other companies and individuals, normally free to publish what it chooses.

On Saturday, the Communist Party newspaper Pravda "complained" that Reagan's scenario and, in a piece of heavy-handed satire, added of his own background on the proverbial American couple.

According to Pravda, Jim is usually out of work. He and Sally would have to take Ivan and Anya to a soup kitchen for dinner. Conscious of the constant surveillance by the Federal Bureau of Investigation, they are worried about the ramifications of their encounter with the Russians.

Mr. Reagan's speech has already been denounced in the Soviet media as an election-year ploy and "sleazy deception" designed to fool U.S. and West European audiences.

Until Saturday, however, the president's imaginary characters had not been introduced to the Soviet audience.

Pravda quoted the last part of Mr. Reagan's speech, in which Jim and Sally discuss their bosses while Anya and Ivan discover that they both teach music. The president suggested the couples may invite each other to dinner.

Pravda then offered this later conversation between Jim and Sally:

"Does Anya really teach music, Jim?" Sally asks.

"Why do you doubt that?"

"You know how hard it is to get work in your specialty. I have been waiting dishes in that damned restaurant for five years now."

"That is true," says Jim. "Naturally, I didn't mention to Ivan that I am usually out of work."

"You were right. Why spoil the mood? Moreover, we were probably being listened to. If we had talked frankly, the FBI would now have the complete tape recording of everything."

"That's correct. You know, I just stood there with my mouth open as Ivan spoke about his job. And how he criticizes his boss. Anybody who

would try that here would be fired right away. And how they spend their holidays on the seacoast."

"Are they allowed to travel around? We are told here constantly that they live in camps."

"Think of it, how did Ivan and Anya suddenly come to America?"

As they walk, Jim and Sally discuss unemployment, social services and Mr. Reagan's military spending. Sally says she avoided mentioning their poverty to the Russians. Both keep turning around to see if they are being followed by FBI agents.

"Of course, if the four of us plan to get together for dinner, we would have to invite them to the nearest soup kitchen," says Jim.

"Hey, listen, Jim. How did we get into this story anyway?"

"I have no idea."

"Couldn't the president have taken someone more impressive?"

"The president's advisers probably slipped us in at the last moment and in their hurry forgot to check on our backgrounds. Had they done so, they would have realized that we aren't the much-advertised Americans the White House loves to depict."

Paul Ben-Haim, 86, a leading Israeli composer, Jan. 14 in Tel Aviv. Born Paul Frankfurter in Munich, he began playing the violin

U.S. Said to Reconsider Participation In Rome-Based UN Agriculture Fund

By Clyde H. Farnsworth

New York Times Service

WASHINGTON — President Ronald Reagan has been called on to resolve a dispute over U.S. participation in the International Fund for Agricultural Development, according to U.S. officials from several departments.

The fund is a United Nations organization that assists small farmers and landless laborers in the poorest countries.

The conflict over the small, Rome-based agency, which is co-sponsoring financial problems, is chiefly between Agriculture Secretary John R. Block, who is pressing for continued commitment, and other officials concerned with U.S. budget problems.

These include Treasury Secretary Donald T. Regan and David A. Stockman, director of the Office of Management and Budget, who have been battling with the organization's plan to increase its budget by 50 percent.

The agriculture agency was established in 1976 as a means of tackling malnutrition in the Third World. In its six years of operation, it has a current staff of 74, it has cited five alleged cases of malnutrition in 38 projects in 17 countries, according to its Saudi Arabian president, Abdelmounim M. al-Sudary. The agency, which makes low-interest and long-repayment loans

for such purposes as the purchase of milk cows or materials for basket-weaving in Bangladesh, has 139 members.

It is managed by an executive board with six members from developing countries, six from industrial countries and six from members of the Organization of Petroleum Exporting Countries. Financing has been shared almost equally between OPEC and the industrial countries.

But the agency is now running out of money, and its membership is scheduled to meet Feb. 29-March 1 in Rome to consider a new series of financial pledges.

Mr. Block declined last week to comment on his position, but said publicly Jan. 10: "I don't expect

IFAD to collapse from lack of funds."

Other officials said Mr. Block was impressed by the importance attached to the agency by industrial as well as Third World countries at a ministerial meeting of the UN Food and Agricultural Organization in Rome last November. Scandinavian countries and Canada have been especially vocal in support of the agency.

At the same meeting, the United States was under strong criticism for not meeting its full financial pledge to the agency of \$180 million for the years 1981 through 1983.

Although the pledges were supposed to have been paid by last Dec. 31, the United States still owes \$90 million.

Daily News in English

with highlights from the International Herald Tribune

Morning from 8:45 to 9:45 a.m.

Evening from 10:00 p.m. to 2:00 a.m.

RADIO K LOV
92.8 FM, Paris
English-language station.

SKY CHANNEL

From SATELLITE TELEVISION

PROGRAM, MONDAY 23rd JANUARY G.M.T.

17:00 CARTOON TIME
17:05 CABLE COUNTDOWN
18:05 FANTASY ISLAND
18:55 CHARLIE'S ANGELS
19:45 VEGAS
20:35 ROVING REPORT
21:00 AMERICAN FOOTBALL

BROADCASTING TO CABLE COMPANIES IN EUROPE & THE UK VIA SATELLITE
CONTACT FRONIA WATERS AT SATELLITE TELEVISION FOR FURTHER INFORMATION. TEL: LONDON (01) 438 0461. TELEX: 268843.

Hungary Imposes Price Increases

Reuters

BUDAPEST — Hungary has announced price increases for meat, beer and other items to reduce consumer demand following disappointing industrial and farm output.

Meat, canned vegetables and heating oil are to increase about 20 percent, beer 15 percent, and cars from 6 to 7 percent beginning Monday, a government statement said Saturday. The price of building materials, including bricks and cement, is to increase by up to 30 percent. Increases of 10 to 23 percent were imposed on many basic goods in September.

Western analysts in Budapest said the increases were partly due to a serious decline in agricultural production last year.



TWO FRONT ROW SEATS FOR THE PRICE OF ONE

If you purchased this Trib at a newsstand, you're already enjoying a rare bargain—the whole world in just a few tightly written, fact-packed pages. You're reading a product created by scores of journalists working day and night from dozens of distant datelines to bring you a compact compilation which can be purchased for the price of a cup of coffee.

But why not double the bargain? Enjoy twice as many newspapers with double the headlines, business trends, candid commentary, high fashion and comic strip hi-jinks, exciting sports and puzzling crosswords.

By subscribing to the International Herald Tribune for six months or a year, you save almost half the newsstand price on

each copy. Up to 42% off, to be precise. Twice as many Tribs for your money.

Join the global who's who of thought-leader readers who turn to each morning's Trib for the latest in objectively reported world news, briskly written opinion, the day's closing business tabulations, buy-and-sell reports from the international market-place, at-the-stadium recaps of just-completed matches, what's happening in the world of culture—and all in an international perspective.

Double the value of the Trib by halving its price. Subscribe now so you don't miss a single issue. Major credit cards accepted. Just fill out the coupon below and mail. For maximum savings, subscribe for a full year. This cut-price subscription offer is for new subscribers only.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

To: Subscription Manager, International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.
Telephone: 747.12.65, Telex: 612833

Please circle below the time period and reduced subscription price selected.
(Rates valid through April 30, 1984. For new subscribers only.)

COUNTRY	1 year	6 months	3 months
Austria	A.Sch. 3,090	1,525	840
Belgium	B.Fr. 6,600	3,300	1,815
Denmark	D.Kr. 1,400	700	400
Finland	F.M. 1,080	540	300
France	F.Fr. 900	450	250
Germany	D.M. 400	200	110
Great Britain	£ 72	36	20
Greece	Dr. 10,800	5,400	2,950
Ireland	Ir£ 90	45	25
Italy	Lire 195,000	97,500	53,700
Luxembourg	L.Fr. 6,600	3,300	1,815
Netherlands	Fl. 450	225	124
Norway	N.Kr. 1,150	580	320
Portugal	Esc. 10,000	5,000	2,750
Spain	Ptas. 16,250	8,125	4,480
Sweden	S.Kr. 1,160	580	320
Switzerland	S.Fr. 356	178	96
Rest of Europe, North Africa, Former French Africa, U.S.A., French Polynesia, Middle East	\$ 380	190	107
Rest of Africa, Canada, Latin America, Gulf States, Asia	\$ 390	195	107

☐ Yes, I would like to accept your bargain offer. Please send me the International Herald Tribune for the time period and at the reduced price circled on this coupon.

☐ My payment is enclosed (Check/money order to the I.H.T.) Please charge my

Card account number

Card expiry date

Signature

My name

Address

City

Job/Profession

Nationality

Company activity

23-1-84

produce a new clarity and steadiness of policy.

There is no way of finding some understanding with the Russians if the United States does not understand itself and achieve broad consensus. To advance continuity, Republican and Democratic candidates, once nominated, should offer Soviet-American summit talks soon after inauguration.

Preparing a meeting to come after a fresh mandate would enable the envoys to start drawing up a talk-it-over agenda without having to assure a major audience of their sincerity.

If he can't get it out, Mr. Reagan could have an *ad hoc* summit meeting, and there would be no Democratic obligation to retain the same envoy. The point is to create an institutional Soviet-American commitment to go on talking.

Meanwhile, tension would ease. A continuing exchange might also inhibit another escalation of rhetoric. The United States and the Soviet Union are long-term adversaries. They must accept the need of special communications for a long time to come.

The proposal would increase the credibility of Mr. Reagan's brand-new approach. Superpower relations are too important to be made secondary to campaign advantage.

The New York Times.

oscillating value of the dollar, the main trading currency of the world marketplace.

"What is frightening about this phenomenon is that the reasons for the fluctuations are often provincial American reasons, usually incomprehensible to foreigners: the state of the American balance of payments, a political maneuver dictated by domestic needs, the testing of a newfangled economic theory, decisions or nondécisions by monetary authorities in Washington. On none of these factors do Europeans . . . have any influence."

Still, part of the responsibility for this imbalance falls on the Europeans themselves. Their collective influence is sapped by nationalist bickering. Last month, the 10 European Community countries could not even agree on a common budget, with Britain supplanting France as the loudest nay-sayer. France bitterly warned that the community could be destroyed by the failure to reach a consensus on financial and farm policies.

Reflecting on all this, France's finance minister fears that Europe can become irrelevant in great international debates. If you put Europe in front of a mirror, he laments, "you see that the star of the 1950s has become a shriveled little old lady who does not have much to say to the world anymore."

It is a depressing, poignant image. Unhappily, it also shows a loss of nerve unworthy of a Europe whose combined wealth and wit is every bit a match for the United States. And no American president can be credibly blamed for that.

—THE NEW YORK TIMES.

by his own account of a disrupted relationship with his superior." This superior is an American, General Bernard Rogers, Supreme Allied Commander in Europe, and Herr Wörner's wholly unnecessary mention of him has only exaggerated America's natural critics in [the West German] parliament to see the evil hand of the United States at work. If it were not for the possible gains that may be done to NATO, one might almost be being a little amused by this German drama.

—*The Daily Telegraph (London).*

After the Islamic Summit

Egypt has been invited to rejoin the Islamic Conference Organization. That is a dramatic victory for the moderate Islamic nations, as well as the world's 800 million Moslems. The resolution prompted a walkout by Libya, Syria and South Yemen, which claimed the entire

One of Egypt's most steadfast backers at the Casablanca summit was the Palestine Liberation Organization leader, Yasser Arafat, who argued that Egypt had already made great sacrifices for the Palestinian cause. But other Islamic nations might well ask how Syria or Libya were aiding the Palestinian cause by fanning the rebellion against Mr. Arafat in Tripoli a few months ago.

The summit has also given its support to the Fez peace plan, which implicitly recognizes Israel's right to exist. Now it is up to the United States and other interested nations to get together with the forces of reason and peace in the Middle East to bridge the gap between the Reagan and the Jakarta pacts.

—The Jakarta Post.

1934: Europeans Buying U.S. Horses
NEW YORK — Favored by foreign exchange and unsettled conditions in this country, Europeans are buying more horses in the American market for trotters this year, taking away more than 100 royalty bred stallions and mares, including many of the fastest and best ones in training. Never before, even in prewar days, did the trotting tracks and breeding studs lose so many high-class horses in so short a time as since last summer. Buyers for export to Italy, Belgium, Holland, Germany, Denmark, Sweden, Hungary and Norway are still busy, both in the auctions and at private sales, and with uncommon discrimination as to the bloodlines of the animals selected.

SOCK
SOCIETY OF POLITICAL CARTOONISTS

GOSH—LOOK AT ALL THE PICKETERS OVER THERE DEMANDING THE MARINES BE PULLED OUT OF LEBANON!...THINK THEY'LL CHANGE ANY OF THE CONGRESSMEN'S MINDS?

I DOUBT IT, SIR—THOSE ARE THE CONGRESSMEN.

DAVE COVERLY

CAMBRIDGE, Massachusetts President Reagan rightly feels compelled to keep the government of Lebanon from falling under Syrian control. His options, however, are limited by the growing unwillingness of Americans to lose more marines' lives in an inconclusive war.

There is only one way to prevent the Syrians from taking charge: by winning over those Lebanese now allied with Syria against their own government. If these forces can be brought back in, the Beirut government can survive and the Syrians will eventually have to leave.

Time is running short for President Amin Gemayel. He came to power in September 1982 with hopes of getting all foreign troops to leave Lebanon, of extending government control to the entire country and ending the civil war. Not only are these goals farther away than ever, but severe economic problems have driven morale to new lows. Many Lebanese now despair of their country ever emerging as a peaceful whole again.

The United States cannot afford to let the Syrians take over. President Reagan has so explicitly put U.S. prestige on the line in Lebanon that abandoning American allies there would shake the faith of the U.S. military lost since Vietnam. This would present the Soviet Union with a major victory. It would mean American acquiescence in the destruction of a staunchly pro-Western government. It would undo the May 1983 actions establishing peaceful relations between Lebanon and Israel while greatly strengthening Syria, the prime U.S. adversary in the Mideast.

To prevent these developments, wooing Lebanese opposition forces away from their alliance with Syria is critical. As it is now, the anti-government elements in Lebanon, primarily Moslems, want Syrian power nearby because they see armed revolt as the only way to win against the Lebanese political establishment.

The groups and militias fighting the government since 1975 feel deprived of a fair share of power and wealth; if they could be convinced that armed conflict will fail, but that negotiations will work, they too might demand a Syrian pullout.

The United States can help by pressuring the Lebanese govern-

ment to offer a better deal to its domestic enemies. Amin Gemayel talks of bringing them in politically, but until now has offered nothing concrete. His motto, "Liberation Before Reconciliation"—suggesting that fundamental changes must await the Syrian departure—hardly reassures those depending on Syria.

Steps toward reconciliation might include taking a new census, opening government offices to leaders of the opposition forces, scrapping the six-to-five ratio of Christians to Moslems in parliament, and holding new elections.

Such a demonstration of good will by considering ways of incorporating existing militias into the armed forces and granting partial autonomy to some regions. Were the United States to demand such steps as the price of support, refusal would be almost inconceivable.

These concessions would help President Reagan convince the American public that the Lebanese government is worth backing. They would also provide the basis of a U.S. policy toward the rebel forces. When the opposition understood that the central government must make concessions to keep American support, it would begin to take more seriously the continual talks begun in 1982. The war would now be suspended. Further, once it saw the futility of trying to overturn a government firmly backed by the Americans, it would be more inclined to begin talks and abandon the Syrians.

Wearing the rebels away from Syria holds the only hope to save the Lebanese government. So long as Damascus finds enough disgruntled Lebanese, Syrian troops will stay in Lebanon. Only after internal Lebanese political problems are addressed and the Lebanese achieve some unity can the Syrians be expelled. Faced with consensus in Lebanon, they would have no political justification to stay; and if they persisted anyway, American and Israeli troops would then be in a position to evict them.

The writer, a lecturer in history at Harvard University, is the author of "In the Path of God: Islam and Political Power," and is a former special adviser to the counselor of the State Department. He contributed this comment to The New York Times.

This is the second of two parts.

WASHINGTON — The Kissinger commission's program requires "purposeful" U.S. leadership, but the report's sanitized historical view does not adequately suggest the credentials, or lack thereof, the United States brings to resolution of Central American problems.

Distrust runs deep, understandably. Even Franklin D. Roosevelt's good Neighbor Policy co-existed with Anastasio Somoza Debayle ("Our own SOB") and other Central American dictators.

While there should be due consul-

tation, the report says, "the United States cannot use the Contadora process as a substitute for its own policies." True enough; yet nothing has got U.S. leaders into more trouble than the delusion that they understand the interests of other countries better than those countries understand their own interests. The Contadora nations know the terrain, know the threat and are determined to protect themselves. If they do not see the threat as apocalyptically as Americans do, who is to say they are wrong?

If they still see possibilities in diplomacy, why bet on military power?

Victory for the revolutionaries would be an international setback for the United States. And it would no lead to Central American regimes of sweetness and light.

Still, if the military solution makes social change impossible, and if social change is impossible until peace is restored, what should the United States do? It should negotiate. The commission insists that only the prospect of military defeat will bring the

WASHINGTON — When he was a candidate for governor of California in 1966, en route to an easy victory, Ronald Reagan sometimes warned supporters that "President Dewey" had cautioned him against overconfidence.

It was a useful reminder for those who wanted to proclaim victory before the votes were cast, and it may be repeated again today. Mr. Reagan declares his candidacy Jan. 29.

Polls and field reports give the president a lead so decisive that one Reagan strategist said it "positively scares." According to the latest tally, Mr. Reagan leads in at least 39 states and the District of Columbia against any Democratic nominee.

"There would be no way we could lose it today," said a top Reagan adviser.

But the election is in November, not next week, and the history of past Reagan campaigns suggests that this one is not in the bag.

Historically, Mr. Reagan has started slow and finished strong. He had a stumbling beginning in 1966 and repeated it in 1980. That year he began the primary campaign on a losing note to George Bush and opened his general-election

By Lou Cannon

tion campaign against President Carter with a string of gaffes that panicked his advisers. But in 1980, as in 1966, Mr. Reagan won easily.

His best comeback came after his worst start. When Mr. Reagan ran for president in 1976, he lost the first five primaries and was pushed to the brink of quitting before he recovered with an upset victory in North Carolina. There he gave President Ford a scare that lasted until the Republican convention.

The one thing that was an overwhelming four-rummer, when he sought a second term as governor of California in 1970, was that his campaign was afflicted by overconfidence. That year his opponent, Democrat Jesse Unruh, started slow and finished fast. Mr. Reagan won by 500,000 votes in a narrowing race; Mr. Unruh focused, too late, on the question of whether Reagan economic policies favor the rich.

Mr. Unruh's comeback was aided by the disaffection of blue-collar workers and minority voters, especially Hispanics, who backed Mr. Reagan in 1966 on social issues and

left him in 1970 on economic ones.

The anticipation at the White House is that the Democratic nominee will be Walter Mondale and that his campaign organization will do a credible job mobilizing the Democrats' natural constituencies.

"The Mondale organization may be better than the candidate," said one Reagan strategist last week. "There are a lot of people polarized against this president — women, minorities, anti-nuclear groups, environmentalists — and they will go to the polls to defeat Reagan."

Worrywarts among the Reagan backers foresee the president's lead at 20 percent in White House polls a month ago, steadily eroding. They fear that as the election tightens, Mr. Reagan will be seen not as a larger-than-life candidate but as the vulnerable, aging representative of a minority party. They believe this will encourage vote drives in key industrial states.

"There's no room for error in this re-election campaign," warned Edward Rollins, director of the Reagan campaign, last week.

He sounded like a man haunted by visions of President Dewey.

The Washington Post

Divided Europe

Some NATO members (though certainly not all) may regard the post-war division of Germany as regrettable. But an expression of such regret as emphasized by U.S. Secretary of State George Shultz in his address to the Stockholm conference on Jan. 10, is very much out of place. The conference has been convened with the explicit purpose of building confidence in today's divided Europe. Inquiries into the German problem into the disarmament debate, as was the case during the Cold War of the 1950's, will not further either the unification of the two German states or the cessation of the arms race.

Regarding "The Year After NATO's Post-Euroimissile Strategy" (IHT, Jan. 10) by Joseph Godeaux:

To speak of a glorious achievement with reference to the American Euro missile strategy is to engage in self-deception. Instead of closing the "window of vulnerability," the United States has now made itself a full sized glasshouse.

This should be recognized as an act of self-emasculation on the part of the Reagan administration rather than as a "victory."

No thinking person in Europe would be fooled.

ALEXANDER von DOLGOW,
Würzburg, West Germany.
(More letters: Page 5.)

[illegible]

INTERNATIONAL HERALD TRIBUNE
JOHN HAY WHITNEY, *Chairman 1956-1982*
KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER
Co-Chairmen

LEE W. HUEBNER, Publisher

PHILIP M. FOISIE Executive Editor	RENÉ BONDI Deputy Publisher
WALTER K. MCCABE Editor	FRANÇOIS DESMAISONS Director of Circulation
ROBERT L. MCCABE Deputy Editor	RICHAUD H. MORGAN Director of Advertising
SAMUEL AUST Deputy Editor	STEPHAN W. CONAWAY Director of Operations
CARL GERWITZ Associate Editor	

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92001 Neuilly-sur-Seine, France. Telephone: 747-1265. Telex: 612178 (Herald), Cables Herald Paris.

Directeur de la publication: Walter N. Thayer.

Gen. Mgr. Asst: Alain Lecœur, 24-74 Kennedy Rd., Hong Kong, Tel. 5-264618. Telex: 61170. Managing Dir. U.K.: Robin MacKichan, 63 Long Ave., London W/2, Tel. 348-4802. Telex 263009. S.A. capital of 1,200,000 F.R.G. Nosseur 8 753021126. Commission Paritaire No. 34231. U.S. subscriptions: 1280 yards. Second-class postage paid at New York, N.Y. and at additional mailing offices. Postmaster: Send address changes in U.S. to: 1101.

© 1984, International Herald Tribune. All rights reserved.

916
62-62

Prices may vary according to market conditions and other factors.

[illegible][illegible]

\$ 63	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 64	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 65	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 66	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 67	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 68	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 69	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 70	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 71	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 72	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 73	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 74	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 75	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 76	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 77	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 78	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 79	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 80	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 81	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 82	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 83	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 84	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 85	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 86	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 87	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 88	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 89	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 90	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 91	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 92	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 93	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 94	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 95	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 96	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 97	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 98	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 99	Shell Int'l Finance	15	Dec	97	102	102	102
\$ 100	Shell Int'l Finance	15	Dec	97	102	102	102

1980 World Bank		1980		1979		1978		1977	
3.20	Iran (Is)	100	100	100	100	100	100	100	100
3.25	Iran (Is)	100	100	100	100	100	100	100	100
IRELAND									
3.20	Alfa Romeo	75	75	75	75	75	75	75	75
3.25	Alfa Romeo	75	75	75	75	75	75	75	75
3.30	Alfa Romeo	75	75	75	75	75	75	75	75
3.35	Alfa Romeo	75	75	75	75	75	75	75	75
3.40	Alfa Romeo	75	75	75	75	75	75	75	75
3.45	Alfa Romeo	75	75	75	75	75	75	75	75
3.50	Alfa Romeo	75	75	75	75	75	75	75	75
3.55	Alfa Romeo	75	75	75	75	75	75	75	75
3.60	Alfa Romeo	75	75	75	75	75	75	75	75
3.65	Alfa Romeo	75	75	75	75	75	75	75	75
3.70	Alfa Romeo	75	75	75	75	75	75	75	75
3.75	Alfa Romeo	75	75	75	75	75	75	75	75
3.80	Alfa Romeo	75	75	75	75	75	75	75	75
3.85	Alfa Romeo	75	75	75	75	75	75	75	75
3.90	Alfa Romeo	75	75	75	75	75	75	75	75
3.95	Alfa Romeo	75	75	75	75	75	75	75	75
4.00	Alfa Romeo	75	75	75	75	75	75	75	75
4.05	Alfa Romeo	75	75	75	75	75	75	75	75
4.10	Alfa Romeo	75	75	75	75	75	75	75	75
4.15	Alfa Romeo	75	75	75	75	75	75	75	75
4.20	Alfa Romeo	75	75	75	75	75	75	75	75
4.25	Alfa Romeo	75	75	75	75	75	75	75	75
4.30	Alfa Romeo	75	75	75	75	75	75	75	75
4.35	Alfa Romeo	75	75	75	75	75	75	75	75
4.40	Alfa Romeo	75	75	75	75	75	75	75	75
4.45	Alfa Romeo	75	75	75	75	75	75	75	75
4.50	Alfa Romeo	75	75	75	75	75	75	75	75
4.55	Alfa Romeo	75	75	75	75	75	75	75	75
4.60	Alfa Romeo	75	75	75	75	75	75	75	75
4.65	Alfa Romeo	75	75	75	75	75	75	75	75
4.70	Alfa Romeo	75	75	75	75	75	75	75	75
4.75	Alfa Romeo	75	75	75	75	75	75	75	75
4.80	Alfa Romeo	75	75	75	75	75	75	75	75
4.85	Alfa Romeo	75	75	75	75	75	75	75	75
4.90	Alfa Romeo	75	75	75	75	75	75	75	75
4.95	Alfa Romeo	75	75	75	75	75	75	75	75
5.00	Alfa Romeo	75	75	75	75	75	75	75	75
5.05	Alfa Romeo	75	75	75	75	75	75	75	75
5.10	Alfa Romeo	75	75	75	75	75	75	75	75
5.15	Alfa Romeo	75	75	75	75	75	75	75	75
5.20	Alfa Romeo	75	75	75	75	75	75	75	75
5.25	Alfa Romeo	75	75	75	75	75	75	75	75

[illegible][illegible][illegible]

International Bond Trading
Telex 8 581881/8 581882

London
Westdeutsche Landesbank, 4.
Telephone 638 6141 • Telex 881 1000

Luxembourg
WestLB International S.A., 32-3
Luxembourg, Telephone 44 74 11

Hong Kong
Westdeutsche Landesbank, BA Tower
Hong Kong, Telephone 5-8420 288

Marketmakers in Deutschland
West

Moorgate, London EC2R 6AE/UK
984
boulevard Grande-Duchesse Charlotte,
Léx 28 51
36th Floor, 12 Harcourt Road,
Léx 75142 HD

economic paths that West
the United States took
During that decade,
Europe tried to
repercussions of the oil
freezing the circum-
trying to maintain its
through subsidies and
interference.
United States took a differ-
creasing 19 billion new
Europe created none,
and
Europe's economy is stag-
ing a recovery lags behind
the United States and Ja-
pan has "retreated from its
place in the frontlines of
liberalization and
more negative atti-
tudes toward the general
world economy."

NEW EUROBOND ISSUES

Issuer	Amount (millions)	Maturity	Coupon %	Price	Yield At Offer	Terms
Australian Industry Dev. Co.	\$ 75	1989	11	100	11	Noncallable.
BNP	\$400	1995	1/4	100	—	Over mean of bid and offered rates for 6-month Eurodollars. Minimum coupon 5 1/4%. Noncallable.
Computer Prod. O'sea Fin.	\$ 15	1999	7	100	7	First callable at 103 in 1987, and redeemable at 100 in 1998. Convertible into the company's shares at a 10.34% premium. Lowered from \$20 million.
Danmark	\$500	2004	3/16	100	—	Over 6-month Libor. Minimum coupon 5 1/4%. Redeemable at 100 in 1999 and callable at 100 in 1988.
Export Development Corp.	\$150	1989	11 1/4	100	11 1/4	Noncallable.
General Electric Credit Int'l	\$200	1991	11	100	11	First callable in 1988 at 101 1/4.
General Electric Credit Int'l	0.20	11 mos	—	17	—	Each warrant exercisable into the company's 11 1/4% of 1994 priced at 99% to yield 11.13%, callable at 100 in 1985.
Grindlays Eurofinance	\$100	1994	1/4	100	—	Over 6-month Libor. Minimum coupon 5 1/4%. Callable at 100 in 1985.
Malaysia	\$350	1993	1/4	100	—	Over 6-month Libor. Minimum coupon 5 1/4%. Redeemable at 100 in 1988 and 1990. Top of an issue launched in Aug. 1983.
Mitsui Trust Finance (M.T.F.)	\$100	1991	12	100	12	Noncallable.
Mitsui Manufacturing	\$100	1999	3 1/2	100	3 1/2	Coupon payable semiannually. Convertible into the company's shares at a 1.66% premium.
Mitsui Inco	\$ 70	1989	open	100	—	Coupon indicated at 6 1/4%. Noncallable. Each bond with one warrant exercisable into \$5,000 worth of the company's shares at an unexpired 24% premium. Terms to be set Jan. 24.
Oesterreichische Kontrollbank	\$ 46	1991	10	100	10	Noncallable. Top of an issue launched in March 1983.
Ontario Hydro	\$200	1994	11 1/4	100	11 1/4	Noncallable.
Repsol	\$ 40	1989	6	100	6	Noncallable. Each \$5,000 bond with one warrant exercisable into a similar amount of the company's shares at a 2.23% premium.
Swedish Export Credit	\$150	1989	11 1/4	99 1/2	11.61	Noncallable. \$100 million issued now and \$50 million reserved for tap.
World Bank	\$200	1989	11 1/4	100	11 1/4	Noncallable.
Allied Chemical O'sea Fin.	dm125	1994	7 1/4	100	7 1/4	First callable at 102 in 1989.
Audi NSU Auto Union	dm150	1994	7 1/4	100	7 1/4	Callable at 101 in 1991.
Fuji Int'l Finance (M.K.)	dm100	1992	7 1/4	100	7 1/4	Noncallable.
GMAC O'sea Fin.	dm 50	1989	7	100	7	Private placement.
Oesterreichische Kontrollbank	dm150	1991	7 1/4	100	7 1/4	Callable at 101 in 1989.
Piercon, Meldring & Pierson	dm 75	1989	8 1/4	99 1/2	8.38	Noncallable.
Boston Int'l Finance	scu 16	1989	10 1/4	100	10 1/4	Noncallable.

Brazil, Banks Set Signing of Refinancing Pact

NEW YORK — Brazil's refinancing package for 1984, which includes a \$6.5-billion loan, will be signed Friday in New York, according to government and bank officials heading the negotiations.

Venezuela, meanwhile, announced that it is to request this week a 180-day extension of its moratorium on principal payments on public-sector foreign debt.

Antonio Celso Pastore, Brazil's central bank president, and William R. Rhodes, the Citibank vice president who heads the bank committee in the negotiations, announced the signing plans Friday.

The Brazilian program includes refinancing of debt falling due in 1984 and the setting up of inter-bank credit lines and trade facilities. All the negotiations are complete except for those dealing with the new money.

The signing had been scheduled for Jan. 16 but was postponed because commitments failed to reach the \$6.5-billion target.

As of Tuesday, \$6.4 billion had been pledged and banking sources said the amount had increased slightly since then, largely as a result of efforts of Mr. Pastore to

convince the reluctant bankers. "I think you are safe to speculate that we are near target, and most assuredly will be there by the signing date," said one banker close to the negotiations.

Antonio Delfino Netto, Brazil's planning minister, was in New York Friday. Officials said he is to travel Monday to Washington.

where he will be joined by Finance Minister Ernane Galvès for talks with officials of the International Monetary Fund and U.S. Treasury. They are both expected to attend the signing Friday.

Venezuela's finance minister, Arturo Sosa, told reporters Sunday that he will put the request for the 180-day extension to his country's 13-bank debt advisory committee Tuesday in New York. It would be the fourth extension of a moratorium since Venezuela stopped making

most principal payments on its foreign debt last March.

The committee chairman, Francis Mason of Chase Manhattan Bank, said after meeting with Mr. Sosa Thursday that refinancing of Venezuela's foreign debt could be completed within 90 days after the present extension runs out Jan. 31.

Venezuela has been negotiating for the last year with banks to reschedule up to \$18.4 billion of its public-sector foreign debt.

(U.P.I. Reuters)

This advertisement appears as a matter of record only

\$13,118,400

private equity financing for



Star Technologies, Inc.

We arranged the private placement of these securities.

Donaldson, Lufkin & Jenrette

January 19, 1984

Reagan Said To Ignore Bid To Cut Deficit

(Continued from Page 7)

terms his opposition to a tax increase this year.

Instead of such an increase, Mr. Reagan intends to ask Congress for "tools" to attack the deficit later, such as a constitutional amendment giving him line-item veto authority. He also is expected to call again for a balanced-budget amendment to the Constitution.

But these proposals, even in the unlikely event that they were enacted, would do nothing to reduce deficits in the short term.

Mr. Reagan apparently will seek domestic spending cuts of about \$5 billion in the next budget, a fraction of his earlier budget cuts.

His aides themselves appear to be undecided about the approach to the budget. Mr. Stockman has been saying privately since autumn that Mr. Reagan is unlikely to win another round of deep budget cuts because of political resistance on Capitol Hill. His view has been that only a tax increase, tied to more spending cuts, would pull the budget out of its deficit mire.

"Philosophically, I have a large roster of cuts," Mr. Stockman said in an interview published this week in Fortune magazine. "Why mass-transit subsidies for New York City? Why any farm price-support program at all? Why \$7 billion for higher education that sends middle-class kids to college?"

"But the point is, we have knocked on all those doors for three years and three budget rounds," he added.

Lil-Mor Thalin, a vice president and economist at Svenska Handelsbanken, largely agrees with the government forecasts but cautions that 1984 labor negotiations will play a key role in the success or failure of the Social Democratic government's economic policy.

She notes that this year's talks will not be held in the traditional centralized manner, so that it will be harder to see at once whether labor contracts meet the government target of holding industry's costs increases to no more than 6 percent in 1984.

"If we were to have a wage-cost increase of 10 percent instead of 6 percent, it will be a great disappointment for all observers," she declared, adding that "the long-term development and outcome of Sweden's devaluation policy is still an open question."

Fed Backs Citicorp In Thrift Takeover

WASHINGTON — Citicorp, the largest U.S. banking organization, has won Federal Reserve Board approval to acquire First Federal Savings & Loan Association of Chicago and New Biscayne Federal Savings & Loan Association of Miami.

First Federal, with \$4 billion in assets and 62 offices, is the second-largest savings and loan institution in Illinois. New Biscayne, with \$1.9 billion in assets and 35 offices, is the fifth-largest thrift institution in Florida. Both were on the brink of collapse.

Because of this, the Fed ruled against bankers in both states who had said the takeover would put them at a competitive disadvantage. But it prohibited the thrift operations from being linked with other Citibank holdings for the purpose of taking deposits or soliciting loans. It also ruled that Citicorp must continue to operate First Federal and New Biscayne as savings and loans, and must devote much of their loans to housing.

Dow Jones Buys Stake In a Software Company

NEW YORK — Dow Jones & Co. has bought an equity interest in Cdx Corp., a software-development and marketing company based in Los Angeles, California. Dow Jones has announced. The purchase price was not disclosed.

Cdx publishes two types of tutorial or instructional software, one dealing with personal computers and the other with the use of micro-computer-software programs. Dow Jones said in its announcement Friday.

Eurobond Market Still On Reducing Costs of Carrying Debt Worrying

By Juris Kaza

International Herald Tribune

(Continued from Page 7)

below about 99.45, where it ended the week.

Banks that use the floater market to raise funds for themselves continue to benefit from the falling margins. Grindlays Bank paid a total borrowing cost of about 0.16 percentage point over Libor, while Banque Nationale de Paris paid about 0.30 over.

Despite its undistinguished profit record, Grindlays got the finer terms, bankers said, because floaters by British banks have rarely value, whereas French paper is abundant.

In the Deutsche mark sector last week, new issues by Japan's Fuji Bank, the West German automaker Audi and Allied Corp., the U.S. energy and chemicals company, all traded at small discounts to their par prices. Slightly less buoyant was the issue for Oesterreichische Kontrollbank, Austria's export finance bank and a frequent borrower in the mark Eurobond market.

That issue ended the week quoted by most West German banks at 98 1/2, just inside the region where managers show a profit.

The West German banks scheduled 2.7 billion DM of new issues for the six weeks ending Feb. 27. The hefty calendar partly reflects belief that more foreign investors will buy mark paper on the theory that the currency is overdue for a recovery.

Despite the German metals and chemicals company, and the Inter-American Development Bank are scheduled to tap the market this week.

International Herald Tribune

EC, U.S. In Debate

(Continued from Page 7)

the United States if Bethlehem Steel Co. goes ahead with its threatened request to the Reagan administration for protection against all steel imports.

Mr. Brock noted these "real disagreements," and said, "we and Europe sit across the table from each other as friends trying to maintain as much damage control as friends can do."

"But, sooner or later," he said, "we must face the fundamental questions" that will produce "the most difficult conversations we have had since World War II."

These questions revolve around different economic paths that West Europe and the United States took in the 1970s. During that decade, Mr. Brock said, Europe tried to avoid the repercussions of the oil shock by freezing the circumstances — trying to maintain its economy through subsidies and government interference.

The United States took a different path, creating 19 million new jobs while Europe created none, Mr. Brock said.

Now Europe's economy is stagnating as its recovery lags behind that of the United States and Japan. The EC has "retreated from its traditional place in the frontlines of world-trade liberalization and staked out a more negative position" in the General Agreement on Tariffs and Trade on the newly emerging trade issues, Mr. Brock said.

lashed preliminary budget for fiscal 1984. Prime Minister Olaf Palme's Social Democratic government expects foreign borrowing to be 10 billion to 15 billion kronor (\$1.2 billion to \$1.8 billion) during 1984, compared with 15 billion kronor in 1983. The expected reduction in borrowing reflects a projected narrowing of Sweden's 1984 current account deficit to 5.2 billion from 6.1 billion kronor in 1983. The current account is a broad measure that includes trade in merchandise and nonmerchandise items.

Sweden's last major agreement in 1983 was a \$500-million (\$707.9-million) syndicated loan, which came on top of a \$1.6-billion Eurocredit during the summer and a \$1.2-billion floating-rate note in early 1983.

"I have no particular preference for big deals," Mr. Engstrom said, adding, "I can fully understand the media preoccupation with large transactions. Looking back at 1983, some of the small transactions were just as satisfying from a debt-management point of view."

Mr. Engstrom tries to avoid making any forecasts of specific borrowing activity and he cautions that Sweden "may also do considerably less" international borrowing than stated in the budget proposal. "We have 24 or 25 billion kronor in undrawn credit facilities," he says. "We may draw them."

Still, after Denmark's floating-rate note issue, banking sources in London say the Swedes could get even finer terms if they tried. "The market could expect them to come to the floating-rate-note market," said Richard Bernstrom, an executive director at Bank of America International. "The dollar is strong and it's a good opportunity to lock in good rates."

Recalling Sweden's \$1.2-billion floater of early last year, another London banker said: "The pressure isn't on them in '84 to do anything as early as they did last year. They

will be watching and assessing the market reaction [to Denmark's borrowing]."

The positive economic forecasts in the recent Swedish budget proposal, including predictions of a narrower budget deficit, lower inflation and higher growth, have cemented Sweden's position as one of the top-ranked sovereign borrowers in the world, according to bankers.

Lil-Mor Thalin, a vice president and economist at Svenska Handelsbanken, largely agrees with the government forecasts but cautions that 1984 labor negotiations will play a key role in the success or failure of the Social Democratic government's economic policy.

She notes that this year's talks will not be held in the traditional centralized manner, so that it will be harder to see at once whether labor contracts meet the government target of holding industry's costs increases to no more than 6 percent in 1984.

"If we were to have a wage-cost increase of 10 percent instead of 6 percent, it will be a great disappointment for all observers," she declared, adding that "the long-term development and outcome of Sweden's devaluation policy is still an open question."

Fed Backs Citicorp In Thrift Takeover

WASHINGTON — Citicorp, the largest U.S. banking organization, has won Federal Reserve Board approval to acquire First Federal Savings & Loan Association of Chicago and New Biscayne Federal Savings & Loan Association of Miami.

First Federal, with \$4 billion in assets and 62 offices, is the second-largest savings and loan institution in Illinois. New Biscayne, with \$1.9 billion in assets and 35 offices, is the fifth-largest thrift institution in Florida. Both were on the brink of collapse.

Because of this, the Fed ruled against bankers in both states who had said the takeover would put them at a competitive disadvantage. But it prohibited the thrift operations from being linked with other Citibank holdings for the purpose of taking deposits or soliciting loans. It also ruled that Citicorp must continue to operate First Federal and New Biscayne as savings and loans, and must devote much of their loans to housing.

Dow Jones Buys Stake In a Software Company

NEW YORK — Dow Jones & Co. has bought an equity interest in Cdx Corp., a software-development and marketing company based in Los Angeles, California. Dow Jones has announced. The purchase price was not disclosed.

Cdx publishes two types of tutorial or instructional software, one dealing with personal computers and the other with the use of micro-computer-software programs. Dow Jones said in its announcement Friday.

This announcement appears as a matter of record only

VILLE DE MONTREAL

Public Issue
Swiss Francs 100,000,000
5 1/4% Bonds, Due 1994

Managed by

CITICORP BANK (SWITZERLAND)

BANK HOFMANN AG

BANK CANTRADE AG

SCHWEIZ. DEPOSITEN-UND KREDITBANK

ALGEMENE BANK NEDERLAND (SUISSE)

THE ROYAL BANK OF CANADA (SUISSE)

NOMURA (SCHWEIZ) AG

CREDIT COMMERCIAL DE FRANCE (SUISSE) SA

CITICORP
CAPITAL MARKETS GROUP

January 1984

BEAR STEARNS

We are pleased to announce that with effect from January 23, 1984

Bear Stearns International Corporation

and

Bear Stearns International Limited

have moved to new premises at

**9, Devonshire Square
London, EC2M 4YL, England**

Tel.: 01-626 5656

Telex: 8811424 BEARCO G

Equities: 01-626 5301

Eurobond Sales: 01-626 4771

Eurobond Trading: 01-626 5753

Corporate Finance: 01-626 5323

Bear, Stearns & Co.

New York/Atlanta/Boston/Chicago/Dallas/Los Angeles/San Francisco
Amsterdam/Geneva/Hong Kong/London/Paris

January 23, 1984

BEAR STEARNS

We are pleased to announce the formation of the

Eurobond Division

of

Bear Stearns International Limited

located at

**9, Devonshire Square
London, EC2M 4YL, England**

Tel.: 01-626 5656

Telex: 8811424 BEARCO G

Peter F. Ganschietz — Managing Director

Sales (Tel.: 01-626 4771)

Neil R. Carnegie (Geneva)

Nigel A. Clark

Mark H. Dalzell

Anthony T. Gonzalez (New York)

Carolyn M. Lake

Edward M. Miller

Patrick E. Ravier

Peter M. Tisch

Peter T. Tsatsoulis

Malcolm R. C. Tulloch

Syndication (Tel.: 01-626 5656)

Peter F. Ganschietz

Trading (Tel.: 01-626 5753)

Peter L. J. Buer — Director

Wolfgang Fischer

Chaim Herbert (Geneva)

Evan J. Lurie

Nancy F. Nolan (New York)

Priscilla A. Silverman (New York)

Settlements (Tel.: 01-626 5656)

Alex R. Hills

Fiona B. Williamson

Bear, Stearns & Co.

New York/Atlanta/Boston/Chicago/Dallas/Los Angeles/San Francisco
Amsterdam/Geneva/Hong Kong/London/Paris

January 23, 1984

